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TODAY: MONEY Outlook for 1997, Page 15

The IRA Killer Who Saved Prince Charles

By Warren Hoge
New York Times Service

LONDON — It was to be the most audacious operation in the history of the Irish Republican Army — the killing of Prince Charles and his wife, the Princess of Wales — and the organization needed someone it trusted.

It turned to Sean O'Callaghan, a member of the group since his teens who had proved his loyalty by building bombs, attacking police precinct houses with mortars, conducting robberies and killing two members of the security forces.

He was sent to London and provided with delayed timing detonators and 11 kilograms (25 pounds) of a powerful mining explosive called Frangex gelignite.

The hit was scheduled for a night when the newly married prince and princess were to attend a charity benefit at a West End theater by Duran Duran, the rock group.

Mr. O'Callaghan cased the theater, found the spot in the wall of a bathroom stall near the Royal Box where the bomb would fit and learned the time when cleaning women opened the restroom, giving him the two hours he would need to plant the device. "It would have worked, it had a high chance of success," Mr. O'Callaghan said in a recent interview.

The 1983 plot failed, however, and one reason was that Mr. O'Callaghan was an informer for the Irish police special branch and British intelligence, the highest ranking IRA man, it later developed, ever to betray the clandestine organization from within.

Despite his cooperation with the authorities, Mr. O'Callaghan was sentenced to multiple life sentences for two homicides and 40 other admitted acts of terrorism. Now, after serving eight years, he has been freed, just in time to enter the debate over Northern Ireland as an implacable and vitriolic foe of the IRA.

In particular, he has attacked the effort by Gerry Adams to gain respectability and a role in the peace process for Sinn Fein, the IRA's political wing, which Mr. Adams leads.

"I wish I could be confident about the prospects for peace, but I have sat behind too many closed doors with too many of the present leadership to be

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Serbia Vote Stolen, Fact Finders Say

Report on Municipal Elections Buoys Milosevic's Opponents

By Michael Dobbs
Washington Post Service

BELGRADE — A Western fact-finding mission on Friday called on President Slobodan Milosevic of Serbia to recognize opposition victories in local elections in Belgrade and 13 other towns and so defuse a political crisis that has brought hundreds of thousands of protesters onto the streets of the capital.

The statement by an international delegation led by former Prime Minister Felipe Gonzalez of Spain supported the arguments of an opposition coalition that asserts it was robbed of victory in a series of local elections on Nov. 17.

It drew a noncommittal response from the Milosevic government, which appears to be gaining the upper hand in what has been a daily battle for control of the streets of Belgrade.

The main television news report Friday evening, regarded as the authoritative voice of the regime, failed to mention the statement by Mr. Gonzalez until halfway through the broadcast, thereby playing down its significance.

Interviewed immediately afterward, Foreign Minister Milan Milutinovic praised the statement as "balanced" and "constructive," but questioned whether Mr. Gonzalez had succeeded in getting to the bottom of the controversy in a visit that lasted 24 hours.

Mr. Milutinovic and other government spokesmen insisted that the Gonzalez mission had a purely "fact finding" character, and was never intended to make a binding judgment.

On Friday, thousands of riot police sealed off the center of Belgrade as they had the day before, preventing opposition supporters from marching down the city's main shopping street and bottling them up in a central square. The strong police presence, combined with a bout of frigid weather, has significantly reduced the opposition turnout.

From 10,000 to 15,000 people gathered Friday in the central Square of the Republic to hear opposition leaders describe Mr. Gonzalez's ruling as a great "victory" and call on the riot police to remove their uniforms and "come over to the side of the people."

The leader of the Democratic Party, Zoran Djindic, said he no longer recognized Mr. Milosevic as the legitimate president of Serbia and called on him to resign. But the government-con-

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Protests Flare in Seoul As Strike Intensifies

'No Backdown,' Union Leader Vows

By Kevin Sullivan
Washington Post Service

TOKYO — Work stopped Friday at more of South Korea's auto plants and shipbuilding yards, hospitals in Seoul were reduced to emergency-room services only and the country braced for a New Year's holiday without public bus and subway service as a nationwide strike deepened on its second day.

Thousands of workers at an idled Hyundai Motor Co. plant in Ulsan, southeast of Seoul, burned President Kim Young Sam in effigy and shouted, "Abolish the evil law!" to protest new government labor laws that touched off the strike Thursday, the Yonhap news agency reported.

The governing New Korea Party passed the controversial measures, which give employers the right to lay off workers and hire temporary help, during a secret, pre-dawn meeting of the National Assembly. The 6 A.M. session was attended only by members of Mr. Kim's party, who took six minutes with no debate to pass laws that had been bitterly fought by opposition legislators.

Members of the opposition party had blockaded the assembly for a week to prevent passage of the bills. On Friday, more than 100 legislators entered their second day of a sit-down protest in the assembly.

Leaders of unions that represent about 1.7 million workers promised a general strike through at least New Year's Eve, shutting down entire sectors of the world's 11th biggest economy and sending the stock market plunging to its lowest level in almost four years.

Residents of Seoul, the capital, braced for transport turmoil on Saturday. More than 4 million passengers are carried daily through the city's subway system.

"There will be no backdown," said Kwon Young Gil, head of the 500,000-member Korean Confederation of Trade Unions, which is angry at the loss of nearly iron-clad job security at factories. In the past, lay-offs have been nearly impossible.

Mr. Kim's government threatened Friday to take "stern countermeasures" to combat the strikes, which it considers illegal. "We cannot accept for any reason the labor unions' strikes. They are clearly illegal protests," Deputy Prime Minister Han Seung Soo said. "The government makes clear it will punish all illegal actions."

Mr. Kwon, whose group is technically illegal but still widely recognized by workers, said that if the government used force to break up the strikes, the

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Paul Hanlon/Reuters

South Korean workers at an anti-government rally Friday in Seoul.

France Quits Mission To Monitor North Iraq

Pullout From Allied Air Watch Disappoints U.S.

By Craig R. Whitney
New York Times Service

PARIS — France took another step away from the United States in the Middle East on Friday by announcing that it was ending its participation in five years of allied air reconnaissance operations over the internationally protected Kurdish area of northern Iraq.

Only Thursday, American officials were still hoping to persuade France to continue participating in the missions, in which American, British and French planes have flown over Kurdish territory since the end of the 1991 Gulf War with the goal of deterring President Saddam Hussein from attacking the Kurds.

But President Jacques Chirac's government said that since the operation would no longer be directly linked to providing aid to the Kurdish population after Jan. 1, it would end its participation then.

"We would have liked them to have stayed in," an American diplomat here said Friday. "We don't like to do things that could cause Saddam to miscalculate, but the French still consider themselves part of the allied coalition, and we will do what we think is the right thing."

In Washington, the United States expressed disappointment at the decision by France to end its participation in the patrols over northern Iraq. A spokesman for the State Department, John Dinger, said the French had been a "valued participant" in the flights.

"The United States would have preferred that France continue to fly over Northern Iraq, but it's obviously a French decision," he said.

Mr. Dinger added that the withdrawal of the French would not affect the patrols, but it was not clear whether or not it would result in fewer overflights. "We're confident that the operations will continue to operate effectively," he said.

The French statement did not break with the allies' aim of compelling Mr. Saddam to abide by United Nations resolutions imposed since his invasion of Kuwait in 1990, and French planes will continue to fly over southern Iraq.

But Mr. Chirac, trying to put France back on the Middle East map as an independent player, has been gradually moving away from continuing American and British intransigence toward Mr. Saddam's regime, which was one of France's biggest weapons customers in

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Radio Free Asia Has Trouble Finding Its Audience

By Patrick E. Tyler
New York Times Service

BEIJING — Three months ago, after a long debate in Congress, the United States started Radio Free Asia to "confront tyranny" in East Asia, in the words of its congressional sponsors.

But the shortwave radio network, which began operations in Chinese three months ago over the objection of several governments in the region that criticized it as a throwback to the Cold War, seems to be off to a shaky start.

U.S. diplomats in China joke that Radio Free Asia is a "stealth" radio network because few people know the frequencies on which it broadcasts or the location of its transmitters.

Those who have found Radio Free Asia's frequencies say it is often not possible to pick up the signal. It is not that the Chinese are jamming it; the signal is simply too weak to reach much of its intended audience.

The network has been forced to use transmitters as far away as Armenia and in Tajikistan, on the border with China's vast western Xinjiang Uygur region, where many listeners do not understand the Mandarin Chinese broadcasts.

"I had a frequency list and couldn't hear anything," said Rob Laing, a diplomat with the U.S. Information Service at the U.S. Embassy in Beijing.

"None of us has heard it," he added, referring to attempts by diplomats in Beijing and Shanghai to detect the station. "We have to take their word for it that it is out there."

Since Radio Free Asia went on the air Sept. 29, it has been broadcasting in Chinese for two hours each day, at 7 A.M. and 11 P.M. A Tibetan-language program began this month, and broadcasts in North Korea and Vietnam are planned.

Some Chinese in Beijing report having heard some broadcasts in October, but not since then.

Most Chinese who listen to foreign radio broadcasts are devoted to the BBC, the Voice of America and Radio France International. Each has bolstered its Asian programming in the last two years even as budgets for overseas broadcasting have declined.

The appearance of Radio Free Asia, therefore, is being regarded as an affront to the existing networks.

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Taiwan Seeks to Brake Flow of Capital to China

By Sandra Sugawara
Washington Post Service

JIADING, China — In a remarkable transfer of wealth and technology, Taiwan has become the rich uncle of southern China, opening factories, training workers and helping to turn scores of poor communities into boom zones.

In the past five years, more than 30,000 companies from Taiwan have invested more than $20 billion in mainland China, much of it in provinces just across the strait that separates the two. Never mind political tensions, which peaked this spring as Chinese missile tests in the seas off Taiwan were countered by U.S. warships; the money continues to flow.

The money is flowing across the strait so rapidly, in fact, that political leaders in Taiwan are having second thoughts.

Always wary of these investments, now they are actively trying to put the brakes on them. They worry that the money may strengthen China's economy or allow Beijing to hold capital from Taiwan hostage and dictate their political relations.

"Since last year, we started seeing investments move from small and medium industries to big industries, and from manufacturing to infrastructure," said Pin-kung Chiang, chairman of Taiwan's Council for Economic Planning and Development. "When we see this trend, we have to ask, 'Does this benefit Taiwan?' Our conclusion is — it does not."

Officials are trying to slow the economic integration. Some say Taiwan risks going the way of Hong Kong, which will revert to China's control in July.

"China is trying to attract more investment from Taiwan to increase their economic power and to reduce our economic power," Mr. Chiang said. "They haven't said that. But it's very obvious they have political motivations."

Investing funds from Taiwan in projects in China that involve militarily sensitive technology has always been banned. Recently, Taiwan officials said they would consider broader standards in evaluating other major investments. In response, some prominent companies said that they were shelving some large China projects, at least temporarily.

But many analysts are skeptical that Taiwan's officials can do more than slow the train.

Zhu Yan, economist for Fujitsu Research Institute in Tokyo, said, "Political considerations will not change the direction of these activities, because these two countries' economies are so mutually dependent. Taiwan companies have invested and will continue to invest in

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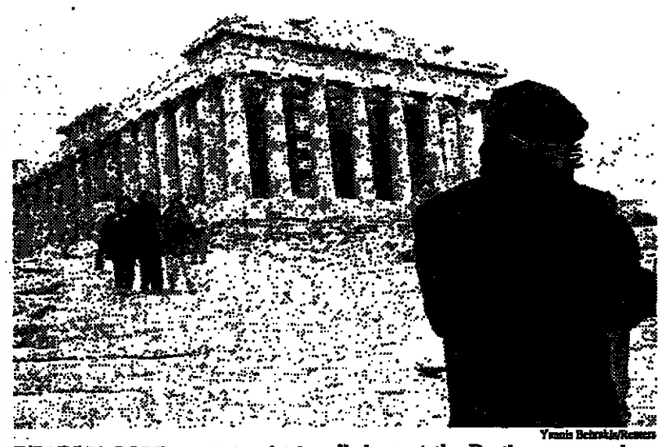
Newsstand Prices

Andorra	10.00 FF	Lebanon	11,3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	£E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20



Yannis Behrakis/Reuters

DEADLY COLD — A tourist bundled up at the Parthenon as a deep freeze held Friday across Europe. Dozens of deaths were reported. Page 2.

AGENDA

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U.S. Stocks Hit Another Record

Stocks rose to record levels Friday, buoyed by higher Treasury bond prices, but gains were limited by weakness in technology issues.

The Dow Jones industrial average closed up 14.23 points at a record 6,560.91. The price of the benchmark 30-year Treasury bond rose to 99 7/32, taking the yield down to 6.56 percent from 6.58 percent Thursday.

The dollar held firmly above the critical 115 yen level Friday, bolstered by prospects that weak Japanese stocks will trigger an extended outflow of capital from Japan. (Pages 9, 10)

Dow Jones	Trib Index
Up 14.23	Up 0.38%
6560.91	149.03

The Dollar

New York,	Fri close	previous close
DM	1.5545	1.5533
Pound	1.692	1.674
Yen	115.30	114.93
FF	5.2435	5.244

Tibetan Gets 18 Years

China has sentenced a 30-year-old Tibetan music expert who was touring the Himalayan region on a U.S. scholarship to 18 years in prison for spying, Chinese radio reported Friday. He was detained in August 1995. (Page 4)

Ankara Plans to Send Envoy to Washington

Turkey's prime minister, Necmettin Erbakan, said he had accepted a U.S. invitation to send a high-level envoy to Washington with assurances that the United States had "no reason to be afraid of anything we are doing." Mr. Erbakan, whose Islamic-oriented government took office six months ago, said he wanted to clear up misunderstandings with Washington. (Page 2)

Middle Class Makes Moscow an Island of Prosperity

By Lee Hockstader
Washington Post Service

MOSCOW — Following the collapse of the Soviet Union five years ago, two men of different generations but similar visions set out to build the first Western-style supermarkets in a newly independent and democratic Russia. With partners and loans behind them, they drafted the blueprints and rolled the dice.

By the time the dust settled this year, the younger man was well on his way to making a fortune and building an empire with a booming supermarket chain. The older man, just as determined and far more experienced, had given up and left the country.

Vladimir Gruzdev, the younger man, built his business in Moscow. He has ridden a swelling tide of middle-class affluence in the Russian capital, and his sales are soaring.

Dick Schindler, the American representative of a Russian-American joint venture, spurned the Moscow

Second of two articles

market, thinking it too corrupt. He set out instead for the Pacific port of Vladivostok, a bare-knuckled navy town where almost no one had ever seen a live American, let alone an American supermarket.

Last year, his project in doubt, he went home.

The parallel tales of Mr. Gruzdev and Mr. Schindler are a parable of the divergent fortunes of modern-day Russia's capital and its distant provinces. After five years of a weird, distorted shuffle toward the free market, much of Russia wallows in an economic morass. Like the country's civil society, its new capitalist institutions have only barely taken hold.

But in many ways, Moscow 1996 is a boomtown.

That fact has been obscured not only by headline-grabbing car bombs, cemetery explosions and contract murders, but also by the yawning social gulf between rich and poor, young and old, New Russians and Old

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On Corsica, a One-Man Revolt Against 'Revolutionary Tax'

By Charles Trueheart
Washington Post Service

PARIS — A bomb goes off every night or so in Corsica, yet another isolated explosion on an island roadside; a police station is riddled with bullets, yet another one-paragraph report in Paris newspapers.

But as Corsica stoically endures its 20-year-old struggle with low-grade terror, rejecting the violence of nationalist militants but resigned to living with outlaws, one man has stepped out of line.

By breaking an unwritten code of silence that has stymied prosecution of Corsican terrorism, Jacques Dewez, a nonpolitical businessman of 70, has just put one of the leading militants and a confidant of his behind bars — something the will and might of the French government had failed to do.

The terrorist threat increased this fall, as Corsican militants broke a cease-fire and took their bombing campaign to the French mainland; the latest example was a bomb of suspected Corsican origin that went off Monday at the French statistical agency in suburban Paris.

The French prime minister, Alain Juppe, whose own city hall in Bordeaux, where he is mayor, was bombed by Corsican terrorists in October, said of Mr. Dewez's singular act of courage: "I think we may finally have left ambiguity on Corsica behind."

Mr. Dewez also has opened a window on the surreal nature of life on the mountainous island, known as the birthplace of Napoleon and for little else besides its hardy tradition of murky clan violence. The unlikely hero is a former airline pilot who built a commercial real-estate empire in Paris and who also owns Domaine de Sperone, a resort and golf course near Bonifacio, at the southern tip of Corsica, within view of Sardinia.

A few weeks ago, some well-known associates of Cuncolta Nazionalista, the legal arm of the outlawed Front for the National Liberation of Corsica-Historic Wing, paid a call on the guard's cottage at the golf club, which had been the target of three bombing attempts in 1994. They told the guard to ask his boss, Mr. Dewez, to call a certain cellular phone number.

The number was that of Marie-Helene Mattei, an attorney and deputy to the Cuncolta leader Francois Santoni. Mr. Santoni, also known as "the Iguana," was being sought by the police at the time after his conviction in absentia on a charge of illegal arms possession.

As Mr. Dewez told the story to French reporters, and confirmed in a recent interview, Ms. Mattei pressed him to meet with a go-between of "you know who" — Mr. Santoni, that is — at Mr. Dewez's Paris office on Dec. 11. The emissary would go by the name "Gulliver."

When the go-between showed up at his conference table, Mr. Dewez immediately recognized him as the operator of a restaurant near the golf course and a member of Cuncolta.

The group is a rough equivalent of Sinn Fein, the outlawed Irish Republican Army's legal political wing, although the conflict in Ireland is far deadlier. In the 350 bombings reported in Corsica this year, and the 571 last year, casualties have been relatively few. The last recorded death by violence there occurred July 1, when a car bomb killed a nationalist leader and wounded 16 others, including several tourists.

Up to a dozen significant militant groups operate on the island, according to news reports and books on the subject. Many have renounced their claims of independence for the island and simply want more autonomy, support for the use of the Corsican language and a better fiscal deal from Paris.

"They have no ideology," Mr. Dewez said, echoing others who describe them simply as bandits operating under nationalist colors.

Gulliver told him, Mr. Dewez said, that his group was desperately short of funds and would require a payment of about $800,000 before Christmas, or "it would be too bad for the future of the golf course."

"They were bloody sure I was going to pay, which was absurd, of course," Mr. Dewez said. Asked if he had ever paid money to keep the peace at his resort, Mr. Dewez, contradicting some press reports, declared, "Never."

Mr. Dewez said he threw Gulliver out of the office, telling him, "If anything happens at Sperone, I will press charges and denounce Cuncolta widely in the media." The next day, as promised, the guard house at Sperone was blown up in full view of the guard, who had been escorted outside to watch the reprisal.

Mr. Dewez, as promised, told all to the police and subsequently to news organizations. The authorities promptly arrested Ms. Mattei and reportedly confiscated a sawed-off shotgun from her home. They have since brought in Gulliver, whose real name is Andre-Noel Filipeddu.

Mr. Santoni — acting on "a point of honor the Corsican nationalists still have not abandoned," Le Point magazine noted — came to the police station in Bastia, Corsica, and turned himself in, in solidarity with his comrade and companion Ms. Mattei. They are now in jail in Paris.

The bagging of some of Corsica's leading trouble-making suspects was unusual good news for the French government, which had an embarrassing year in its effort to combat terrorism on the island.

Just last week, as the Santoni drama was unfolding, President Jacques Chirac appeared on national television and all but acknowledged that his government had been negotiating with Corsican militants earlier this year even though his top ministers had insisted otherwise.

It was Mr. Santoni who blew the whistle on the government's denials by publicly identifying the top officials with whom he said he and others had been meeting secretly.

Mr. Dewez said in Paris last week that he did not wish to be singled out for his decision, or be held up as a model of courage to others in his business who pay what is sometimes referred to as a "revolutionary tax."

"The law of silence exists, but it's very understandable," he said. "People who live there have to put up with local conditions, and they're not protected by the police, to say the least. One can't be too severe on them."

Last Thursday, Cuncolta sent Mr. Dewez's golf resort a demand that it cease operations or face reprisals. The Domaine de Sperone promptly shut down, probably for the season. "We can't take risks with the golfers," Mr. Dewez said.

Turkey Accepts Invitation For Envoy's Visit to U.S.

By Stephen Kinzer
New York Times Service

ANKARA — Turkey's prime minister has announced that he will send a high-level envoy to Washington with a pledge of friendship and assurances that the United States has "no reason to be afraid of anything we are doing."

Senior officials in Washington have been alarmed at Prime Minister Necmettin Erbakan's pan-Islamic political philosophy and his visits to Iran and Libya. They fear that he may be seeking to lead his country, which is an ally of the North Atlantic Treaty Organization, away from the Western fold.

"We need to explain ourselves better to our friend America," Mr. Erbakan said in an interview at his residence. "In the coming days our State Minister Fehim Adak will go to America as a guest. He will say that we want to increase our cooperation and will discuss other important matters. We were very happy to receive the invitation, and we are looking forward to this with great interest."

Mr. Adak, whose ministerial job focuses on economic planning, is one of Mr. Erbakan's oldest and most trusted aides, as well as a leading figure in the ruling Islamic-oriented Welfare Party.

The U.S. ambassador here, Marc Grossman, confirmed that Treasury Secretary Robert Rubin invited Mr. Adak to Washington after a round of economic talks in Ankara in October. But Mr. Grossman said he had not yet been notified that the invitation had been accepted.

"We would welcome any such visit and look forward to it," he said.

In the interview, Mr. Erbakan, who took office six months ago, said he wanted to clear up misunderstandings with Washington "which may have been our fault."

But he stated several views that directly challenged long-held U.S. positions, criticizing Israel as the chief obstacle to Middle East peace and asserting that it was unfair for the United States to isolate Iran, Iraq and Libya.

"There should be no double standard," he said. "Israel is an example of the double standard. For many years, Israel has been disturbing its neighbors. There have been many, many United Nations resolutions, but they were not strongly enforced. But when Iraq violates a resolution, hundreds of tons of bombs are dropped on it. It is a clear example of a double standard. In Bosnia, in Chechnya, in Kashmir, this double standard is applied all over the world."

Such comments raise concerns in the United States.

Agence France-Presse

Prime Minister Li Peng of China, left, raising his glass with his Russian counterpart, Viktor Chernomyrdin, following talks Friday in Moscow.

Allies Against U.S. Clout

China and Russia Hail 'Strategic Partnership'

By Lee Hockstader
Washington Post Service

MOSCOW — Russian and Chinese leaders, each seeking an ally to counterbalance America's global clout, met Friday in Moscow and said their "strategic partnership" was unshakable and growing warmer all the time.

After a meeting in the Kremlin, in which President Boris Yeltsin and the Chinese prime minister, Li Peng, agreed to unspecified troop reductions along their lengthy border, Mr. Yeltsin's spokesman proclaimed that Chinese-Russian ties "have reached a new level," boosted by more trade, investment and cooperation on a number of large engineering and construction projects.

Mr. Li, the first foreign visitor to see Mr. Yeltsin since his return to work Monday, seven weeks after heart surgery, said the two sides aimed to triple their modest bilateral trade — about $7 billion this year — by the year 2000.

The two powers have spoken of their "strategic partnership" repeatedly in recent months, while casting resentful glances at Washington. Moscow sees the China card partly as a way to offset the planned expansion of the North Atlantic Treaty Organization into former Soviet satellites in Eastern Europe. Beijing, resentful of U.S. pressure on human rights and trade, regards Russia as a less judgmental partner that the United States — and as an important source of weapons and technical assistance.

But there are lingering tensions between the two countries, which were locked for decades in competition for influence in the Communist world.

Many Russians, anxiously surveying their vast and empty eastern territories and sluggish economy, believe they are vulnerable in sharing a border with an economically booming China.

Those old insecurities resurfaced Thursday, the very day Mr. Li arrived for his three-day visit, when the Russian defense minister, Igor Rodionov, said in a speech here that China remains among the Asian countries that pose a military threat to Russia.

Kremlin and Foreign Ministry spokesmen immediately brushed aside Mr. Rodionov's remark, characterizing it as unauthorized. But few here doubted that the statement reflected the suspicions of China harbored at the highest levels of Russia's national security structures.

East to West, Europe Freezes

Dozens Dead in Siberian Cold Snap; Snow Covers Italy

Agence France-Presse

Ice formed on the Venice lagoon Friday, Siberian cold threatened the French Riviera with snowfall and the number of homeless reported dead in Poland, Romania, France and elsewhere rose into the dozens as winter held Europe in a remorseless grip.

In Italy, temperatures plunged to as low as minus 30 degrees centigrade (minus 22 Fahrenheit) in Lombardy in the north.

Heavy snowfalls throughout most of Italy have created havoc on the roads.

Meanwhile, in Greece, authorities at the seaport of Piraeus prevented boats from leaving for the Aegean islands and Crete due to a storm. Winds topping 90 to 100 kilometers per hour (60 to 70 miles per hour) whipped through the Aegean and Ionian seas endangering maritime and air traffic.

Five people died in Moscow, which stands directly in the path of the Siberian cold, while violent snowstorms paralyzed Bulgaria.

In Paris, the cold snap had taken the life of a third homeless person by Friday, police said. The man, in his 50s, was found dead in a parking lot.

In Bucharest, at least 20 homeless people were reported dead over the last few days after heavy snowfalls. In Poland, eight people died of the cold.

■ 300 People Trapped in Tunnel

More than 300 people were trapped in a highway tunnel in the Caucasus mountains in southern Russia on Friday after avalanches blocked roads in the area, Reuters reported from Moscow, quoting an Itar-Tass dispatch. About 120 vehicles were caught in the four-kilometer Roksky tunnel.

BRIEFLY EUROPE

Kiev May Reopen Part of Chernobyl

KIEV — Ukraine said Friday that it wanted to reopen part of the Chernobyl nuclear power station next year, just weeks after it shut another reactor as part of a deal with international creditors to close the whole plant by 2000.

"I signed the decree. It is due to be switched on in the final quarter of next year," the head of the Derzhkmotom state nuclear authority, Viktor Chebrov, said at a news conference.

"We still have to do some work to improve the safety of the reactor," he added, saying the move would not violate Kiev's pledge to close the entire, disaster-hit station by 2000. *(AP)*

Aide Says Turkey Linked to Terrorist

ANKARA — In the latest revelation in a scandal linking politicians to organized crime, a senior intelligence official has admitted that the state used a fugitive terrorist for secret dealings, news reports said Friday.

Mehmet Eymur, an official of Turkey's secret services, testified to a parliamentary commission Thursday that the organization used Abdullah Catli and other underground figures for operations both in Turkey and abroad.

Mr. Catli, former leader of the Gray Wolves, a far-right terrorist organization, allegedly provided a gun and false passport to Mehmet Ali Agca, the Turk who shot Pope John Paul II in 1981.

"Although we knew it wasn't right, we used Catli abroad after 1980, because we had to," the daily Hurriyet quoted Mr. Eymur as saying. "We gave up on Catli when we found out his drug connection."

He did not describe the operations that used Mr. Catli. *(AP)*

Italian Investigator Wins Court Round

BRESCIA, Italy — An Italian court ruled Friday that police raids this month on the home and offices of the former anti-graft investigator Antonio Di Pietro were unjustified and illegitimate.

The court, in the northern town of Brescia, ordered piles of documents seized in the raids to be returned to Mr. Di Pietro, whose graft investigations helped topple Italy's corrupt political old guard in the early 1990s.

The raids were ordered a few weeks after Mr. Di Pietro resigned in November as public works minister following the opening by Brescia investigators of an inquiry into alleged irregularities in his work as a magistrate. *(Reuters)*

Havel Convalesces

PRAGUE — President Vaclav Havel was released from the hospital on Friday after lung cancer surgery earlier this month, his spokesman said.

The spokesman, Ladislav Spacek, said Mr. Havel, who had half of his right lung carrying a small malignant tumor removed on Dec. 2, would convalesce at his villa in western Prague. *(Reuters)*

RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ Kids Welcome. De Cuserstraat 3, S. Amsterdam Info. 020-641 6812 or 020-6451 653.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical). 4, bd. de Fibrac, Colomier. Sunday service. 6:30 p.m.Tel.: 05 62 74 11 55.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity. (Anglican/ Episcopalian), 11 rue de la Buffa: Sunday Eucharist at 11 a.m.; Weekdays as on notice board. **VENCE:** St-Hugh's, ave. de la Résistance: Sunday Eucharist at 9 a.m. *Contact Father Ken Letts 05 93 87 19 83.*

MONTE CARLO

MONACO CHRISTIAN FELLOWSHIP Worship Service, Sundays: 11 a.m. 9, rue Louis Notary. Monte Carlo. Tel.: 377 92 16 56 47.

MUNICH

INTERNATIONAL COMMUNITY CHURCH. Evangelical Bible Believing services in English 4:30 p.m. Sundays at Enhuberstr. 10 (U2 Theresienstr.) (089) 850-8617.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH - An evangelical church in the western suburbs, all are welcome. 9:45 First Service concurrent with Sunday School, 11:00 Second Service with Children's Church. French Service 6:30 p.m. 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. For info, call 01 47 51 29 63.

HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense, 8 bd. de Neuilly. Worship Sundays 9:30 a.m. Rev. Douglas Miller, Pastor. Tel.: 01 43 33 04 06. Métro 1 to la Défense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic). MASS IN ENGLISH: Sat. 6:30 p.m.; Sun. 9:45, 11:00 a.m., 12.15, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel.: 01 42 27 28 56. *Metro: Charles de Gaulle - Etoile.*

ST. MICHAEL'S CHURCH (evangelical Anglican). Sundays 10:30 a.m. (with children's club and creche) and 6:30 p.m. Midweek study groups. Christ-centered fellowship in the heart of Paris. 5 rue d'Aguesseau, 75008. Tel.: 01.47.42.70.88. Metro: Concorde.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, *near Idabashi Stn.* Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH near Omotesando Subway Sta. Tel: 3400-0047. Worship Services Sunday 8:30 & 11:00 a.m., SS at 9:45 a.m.

ZURICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MISSION; St. Anton Church, Minervastraße 63, near Kreuzplatz. Services conducted in English, Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.

SWITZERLAND

BASEL CHRISTIAN FELLOWSHIP *English-Speaking non-denominational.* Tel. +41 61 302 1674, Sundays 10:30 Mittlere Strasse 13, CH-4056 Basel.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33-01 53 23 84 00. Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Rinz St. 22, 60323 Frankfurt, Germany, U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. *Seybothstrasse 4, 81545 Munich (Harlaching), Germany.* Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. *Choral Eucharist Rite II; 10:30 a.m.* Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3569.

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. *563 Chaussée de Louvain, Chain, Belgium.* Tel. 32/2 384-3556.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. *Family Eucharist. Frankfurter Strasse 3,* Wiesbaden, Germany. Tel.: 49/611.30.66.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warford, pastor. Tel.: 030-774-4570.

BREMEN

I.B.C., Hohenlohestr. Hermann-Bose-Str. *Worship Sun. 17:00,* Pastor telephone: 04791-12877.

BUCHAREST

I.B.C., Strada Popa Rusu 22. 3:00 p.m. *Contact Pastor Mike Kemper, Tel. 312 3960.*

BUDAPEST

I.B.C., meets at Morics Zsigmond Gimnazium, Torokvesz ut 48-54. Sun. 10:00. Tel. 250-3932.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 669 666.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Sodenerstr. 11-18, 63150 Bad Homburg. A friendly, Christ-centered, church serving the English-speaking community. Sunday Worship, S.S. & Nursery 09:45. Weekday Groups. Pastor: M.P. Levey. Call 06173-62728.

BETHEL I.B.C. Am Dachsberg 92 (English), Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-548559.

HOLLAND

TRINITY INTERNATIONAL invites you to a Christ centered fellowship. Services: 9:00 and 10:30 a.m. Bloemcamplaan 54, Wassenaar 070-517-8024 nursery prov.

NICE - FRANCE

I.B.C. 13 rue Vernier, English service, Sunday evening 18:30, pastor Roy Miller - Tel.: (04 93) 32 05 96.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at Swedish Church, across from MacDonalds, Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday morninga 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungenallee 54. Sun. Worship 11 a.m. Tel. 069/95631066 or 512552.

GENEVA

EV. LUTHERAN CHURCH 20 rue Verdaine. Sunday worship 9:30. In German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

VIENNA

VIENNA COMMUNITY CHURCH, Sunday worship in English 11:30 A.M., Sunday school, nursery, International, all denominations welcome. Dorotheergasse 16, Vienna 1.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service. Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2525525.

METHODIST INTERNATIONAL CHURCHES

AMSTERDAM

12:30 every Sunday. Holland Methodist Church at Emmanuel Kerk, Der Kinderenstraat 58, Amsterdam West. Alfred Glasgow 072 623 15.

BERLIN

6:30 p.m. every Sunday. Auferstehungskirche, Kaiser-Friedrich-Strasse 87, Berlin (Charlottenburg) 5 minutes from U-bahn hall Bismarckstrasse. Rev. John Atkinson 030 301 5385.

DRESDEN

29 Dec. at 6: p.m., Wesley Covenant Service. English Language Fellowship in the Emmauskirche EmK, Katharinenstr. 17 (Neustadt). Will Clapp 0351 442 1413.

MILAN

11:45 every Sunday. Chiesa Evangelica Methodista, via P. Lambertenghi 28. Rev. Paul Perry 02 607 2631.

MUNICH

11:30 every Sunday, fellowship time 12:45 Munich Peace Church. Frauenlobstr. 5 (U-Bahn "Sendlinger Tor"): Dec. 29 - Carol Requests Service. Information: 260 236 77 (office) or 820 60 43 (Pastor James Dwyer).

TRAVEL UPDATE

New Year's Fare Sale in the U.S.

DALLAS (AP) — Southwest Airlines announced a New Year's fare sale Friday with one-way fares in some markets as low as $29.

The "Flying Start" fares are available for purchase through Jan. 23, for travel between Jan. 1 and June 2, except for some holiday periods, the Dallas-based carrier said.

Examples of one-way sale fares include Houston to Oakland, California, $149 (regular full fare is $327); Indianapolis to San Antonio, Texas, $99 (regular full fare is $220), and Dallas to Austin, Texas, $29 (regular full fare is $81).

Airline Strike Ends in West Africa

ABIDJAN, Ivory Coast (Reuters) — Most scheduled flights across West Africa were operating normally Friday after air traffic controllers in the region called off a strike over pay, airline officials said. Union leaders said Thursday night that they were ending the strike, which upset Christmas travel, shortly after announcing a 72-hour extension.

Air France said its Abidjan to Paris service was expected to operate on schedule on Friday.

X-ray machines designed to detect explosives in checked baggage will arrive in major U.S. airports next month. In all, 54 such machines, which use the technology of medical CT scans to identify potential explosives, will be installed. *(AP)*

France revived safety measures for travelers flying in from Gabon after the World Health Organization reported two fatal cases of the Ebola virus in Libreville. The Social Affairs Ministry said airline passengers were being given information leaflets on the symptoms of the disease — headaches, fever, and diarrhea. *(Reuters)*

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

Jetstream — Unseasonably Cold — Unseasonably Hot — Heavy Rain — Heavy Snow

North America

Rain, some of it heavy at times, in San Francisco Sunday through Tuesday. Rain will also drench Portland, Oregon, and Seattle. Warm the next few days in Dallas and Houston. A shower, windy and mild in New York City and Philadelphia Sunday.

Europe

No end in sight to the cold wave that has been gripping Paris, Amsterdam, Brussels, Bonn and Berlin through at least Tuesday. A storm will deliver soaking rain to Rome Sunday into Monday and it could still shower Tuesday. Showers and windy Monday and Tuesday in Athens.

Asia

Mild for the season, Sunday through Tuesday in Beijing; some sunshine Sunday and Monday, then a chance of a little rain and snow Tuesday. Partial sunshine Sunday through Tuesday in Tokyo and Seoul. Mostly cloudy in Shanghai Sunday, then sunshine Monday and Tuesday.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	18/61	11/52 sh	15/59	6/43 sh
Amsterdam	-2/29	-5/24 s	-1/31	-6/22 c
Ankara	2/35	-9/16 sn	-1/31	-12/11 pc
Athens	9/48	3/37 r	7/44	7/44 c
Barcelona	9/48	0/32 pc	7/44	2/36 sh
Belgrade	-11/13	-13/9 sn	-7/20	-9/15 sf
Berlin	-6/22	-10/15 s	-5/24	-12/11 sf
Brussels	-3/27	-7/20 s	-1/31	-5/24 pc
Budapest	-9/16	-13/9 pc	-8/16	-10/15 pc
Copenhagen	-3/29	-6/22 c	-6/22	-13/9 sf
Costa Del Sol	15/59	12/53 r	17/62	8/46 sh
Dublin	8/43	1/34 pc	8/43	0/32 c
Edinburgh	4/39	0/32 pc	4/39	-4/25 c
Florence	-1/31	-4/25 pc	2/35	0/32 c
Frankfurt	-7/20	-11/13 s	-7/20	-10/15 sn
Geneva	-9/22	-9/16 sn	-5/24	-8/22 sn
Helsinki	-5/18	-13/9 sn	-10/15	-19/-2 sn
Istanbul	5/41	4/39 sn	-1/31	-3/27 sf
Las Palmas	21/70	16/61 pc	19/66	14/57 pc
Lisbon	11/52	9/48 r	9/48	1/34 c
London	2/35	-3/27 pc	3/37	-2/29 c
Madrid	7/44	0/32 sh	4/39	-3/29 sn
Mallorca	8/46	1/34 pc	6/43	3/37 sh
Milan	-8/18	-14/7 pc	-5/24	-7/20 sn
Moscow	-10/15	-11/13 sn	-11/13	-13/9 sn
Munich	-8/18	-16/4 s	-6/22	-12/11 s
Nice	1/34	-1/31 sn	3/37	3/37 sn
Oslo	-7/20	-11/13 sn	-4/25	-13/9 s
Paris	-5/22	-11/13 pc	-4/25	-9/16 s
Prague	-9/16	-14/7 s	-8/16	-12/11 pc
Reykjavik	5/43	4/39 c	5/41	-1/31 sh
Rome	5/41	1/34 pc	3/37	-1/31 pc
St. Petersburg	-8/18	-12/11 sn	-10/15	-19/-2 sn
Stockholm	-7/20	-12/11 sn	-7/20	-19/4 sn
Strasbourg	-4/25	-11/13 pc	-3/27	-7/20 pc
Tallinn	-9/16	-12/11 sn	-11/13	-18/0 sn
Venice	-5/22	-9/16 pc	-3/27	-7/20 pc
Vienna	-10/15	-14/7 pc	-11/13	-16/4 s
Warsaw	-9/16	-13/9 pc	-9/16	-14/7 pc
Zurich	-6/22	-11/13 pc	-4/25	-6/22 s

Middle East

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Abu Dhabi	25/77	14/57 s	27/80	14/57 s
Beirut	23/73	12/53 pc	18/64	13/55 pc
Cairo	23/73	7/44 s	18/64	11/52 pc
Damascus	18/61	7/44 pc	14/57	4/39 pc
Jerusalem	14/57	7/44 pc	13/55	6/41 pc
Luxor	31/88	3/37 s	34/75	4/39 s
Riyadh	24/75	9/48 s	25/77	11/52 s

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Bali	33/91	23/73 pc	33/91	23/73 t
Bangkok	30/86	19/66 pc	30/86	19/66 pc
Beijing	4/39	-4/25 pc	9/48	-3/27 pc
Bombay	29/84	16/61 s	29/84	15/59 s
Calcutta	26/79	12/53 s	24/75	11/52 s
Chiang Mai	28/82	17/62 s	28/82	17/62 pc
Colombo	27/80	22/71 sh	29/84	21/70 pc
Hanoi	24/75	17/62 s	22/71	16/64 pc
Ho Chi Minh	31/88	23/71 pc	31/88	22/71 pc
Hong Kong	18/64	13/55 pc	17/62	12/53 pc
Islamabad	22/71	9/48 sh	23/73	9/48 pc
Jakarta	29/84	23/73 pc	28/82	24/75 c
Karachi	27/80	12/53 s	29/84	11/52 s
K. Lumpur	31/88	22/71 pc	31/88	21/70 pc
K. Khabalu	27/80	21/70 c	27/80	22/71 pc
Manila	31/88	23/71 pc	30/86	21/70 pc
New Delhi	22/72	9/48 sh	24/75	9/48 sh
Phnom Penh	28/82	19/66 s	28/82	22/71 pc
Phuket	30/86	19/66 pc	30/86	19/66 pc
Rangoon	29/84	19/66 pc	30/86	19/66 pc
Seoul	6/43	-6/29 s	7/44	-2/29 pc
Shanghai	14/57	7/44 pc	14/57	7/44 pc
Singapore	28/82	23/73 pc	28/82	23/73 pc
Taipei	18/64	13/55 pc	19/64	12/53 pc
Tokyo	13/55	3/37 pc	11/52	-2/29 sh
Vientiane	23/73	15/64 s	23/73	15/64 pc

North America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Anchorage	-9/16	-18/0 s	-8/18	-14/7 pc
Atlanta	20/68	13/55 sh	20/68	9/48 c
Boston	10/50	7/44 c	13/55	2/35 c
Chicago	9/48	0/32 c	6/43	0/32 pc
Dallas	20/68	10/50 pc	21/70	11/52 pc
Denver	11/52	-6/22 s	13/55	-1/31 pc
Detroit	9/48	3/37 sh	5/43	-2/29 pc
Honolulu	24/75	18/64 pc	28/82	20/68 pc
Houston	24/75	14/57 c	26/79	11/52 s
Los Angeles	18/66	7/44 pc	19/66	10/50 pc
Miami	28/82	20/68 pc	27/80	20/68 pc
Minneapolis	1/34	-14/7 c	-4/25	-10/15 pc
Montreal	4/39	2/35 c	6/43	-11/13 sh
Nassau	29/79	19/66 pc	29/79	19/66 pc
New York	11/52	8/46 pc	14/57	2/35 pc
Orlando	27/80	17/62 pc	27/80	19/61 pc
Phoenix	20/68	9/48 s	21/70	12/53 pc
San Fran.	13/55	10/50 sh	13/55	10/50 r
Seattle	0/32	-6/29 sn	3/37	1/34 sh
Toronto	9/48	6/43 c	6/43	-6/29 pc
Vancouver	-1/31	-7/20 sn	7/44	-1/31 sn
Washington	16/61	9/48 pc	18/64	4/39 pc

Latin America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Buenos Aires	30/86	16/61 pc	31/88	19/66 pc
Caracas	28/84	23/71 c	29/84	23/73 c
Lima	22/72	19/66 c	25/77	19/66 c
Mexico City	19/66	9/48 pc	19/66	5/41 pc
Rio de Janeiro	32/89	24/75 t	29/84	22/71 pc
Santiago	31/88	8/46 s	30/86	11/52 s

Africa

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algiers	16/61	9/48 pc	17/62	8/46 t
Cape Town	21/70	16/61 r	20/68	16/61 r
Casablanca	16/61	11/52 sh	17/62	7/44 r
Harare	25/77	11/52 pc	27/80	8/46 pc
Lagos	31/88	23/71 pc	31/88	23/73 pc
Nairobi	28/82	11/52 s	30/86	12/53 s
Tunis	11/52	6/43 pc	16/61	9/48 r

Oceania

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Auckland	21/70	17/62 c	23/73	16/66 sh
Sydney	27/80	20/68 pc	27/80	19/66 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, I-Ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

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Steep Price for Coffee With Clinton

Thai, on Day of White House Visit, Gave $135,000 to Democrats

By Ruth Marcus
Washington Post Service

WASHINGTON — A Thai businesswoman who is a major donor to the Democratic Party brought five business associates to a White House coffee with President Bill Clinton, the same day she and a relative gave $135,000 to the Democratic National Committee, the White House has acknowledged.

The business associates brought to the White House by the donor, Pauline Kanchanalak, included three top officials of a Thai business conglomerate with extensive interests in China. The primary topic of conversation at the hourlong session on June 18 was U.S. policy in China, according to one participant invited by Miss Kanchanalak, Karl Jackson of the U.S.-Thai Business Council.

The press secretary of the Democratic National Committee, Amy Weiss Tobe, said the coffee was also attended by the committee's chairman, Donald Fowler, its finance chairman, Marvin Rosen, and John Huang, a fund-raiser who encouraged business people in the Asian-American community to contribute to the Democrats' cause and who had ties to Miss Kanchanalak dating to his time as a Commerce Department official.

Although Mr. Clinton held several dozen coffees with big donors as part of the Democratic committee's fund-raising push, the June 18 meeting appears to have been unusual in that Miss Kanchanalak and her five invitees dominated the guest list.

According to committee documents, the same day as the coffee, Miss Kanchanalak gave $85,000 to the Democratic National Committee, although her check is dated June 19. She followed that with another $50,000 in July. Also on the same day as the coffee, Duangnet Kronenberg, Miss Kanchanalak's sister-in-law, contributed $50,000.

The committee's accounting records indicate the "event location" listed for the two checks as "WH coffee" and "6/18/96 coffee — WH." Fund-raising is not allowed inside the White House.

Mrs. Kronenberg said she gave the money independently of Miss Kanchanalak and did not know about the event when she wrote the check.

Ms. Tobe said the fact that the donations arrived the same day as the coffee was "a coincidence because there's no sticker price to go to White House events." She added: "If someone decides to give after going to a DNC-sponsored event, there's nothing wrong with that."

Asked how the guest list was put together, she said Miss Kanchanalak "asked to bring these people with her and we put them on the list."

The White House special counsel, Lanny Davis, said "it should not be surprising that after hearing the president, many of the attendees might have been motivated to support the president and the Democratic national party."

"To the best of our knowledge," he added, "no funds were solicited by anyone in the White House at White House events" and "no governmental action resulted from any campaign contribution to the president's campaign or to the DNC."

The committee last month returned $253,000 given by Miss Kanchanalak, after she said the money was actually given by her mother-in-law, Praitun Kanchanalak. As a legal permanent resident of the United States, Praitun Kanchanalak is allowed to make political donations, but federal law prohibits making donations in the name of another.

The White House said Thursday that it could not comment on whether it was appropriate for Miss Kanchanalak to bring to the coffee top officials of a Thai company, Charoen Pokphand Group, known as CP Group, Thailand's largest multinational corporation.

The Associated Press
Jordan Reardon, 10, in a recent photograph. She is now in the burn unit of Westchester Medical Center.

Christmas Bomb Puzzles Detectives

10-Year-Old Remains in Hospital

New York Times Service

NEW YORK — More than 50 investigators from the New York state police and federal law enforcement agencies have interviewed dozens of people in several states in a search for the source of a package bomb that exploded Christmas Eve as it was opened by a 10-year-old girl.

The girl, Jordan Reardon, was listed in good condition Thursday at Westchester County Medical Center in New York, where she was recovering from burns and cuts, hospital officials said. She was scheduled to undergo minor plastic surgery in a week or so, they added.

The girl's father and mother, Jude and Mary Reardon, were unhurt in the blast, which occurred when Jordan opened the package in the kitchen of the family's Clifton Park, New York, home after retrieving it from the mailbox along with some letters, said Captain William Sickinger of the state police.

Jordan had some trouble opening the box at first, Captain Sickinger said.

"She used a letter opener," he said. "As she managed to open it, it detonated."

He said Jordan was lucky to have been wearing glasses, which shielded her eyes from shrapnel, and also appeared to have been protected by the kitchen table, which was badly damaged by the explosion.

The motive for the bombing remained unclear, Captain Sickinger said. All that was known for certain was that the attack was aimed at the Reardon family. "The package was addressed to Jude Reardon and family," he said.

"We're looking at any business connections, family members, friends or associates who might be able to give us any leads. It will take a significant amount of time to go through it all." Interviews were being conducted in several states, he said.

Although he declined to describe the bomb, Captain Sickinger said it was sophisticated and designed to injure or kill anyone nearby.

"This type of weapon is nondiscriminatory," Captain Sickinger said. "Anyone in the room would be subject to its effects."

The box had no wrapping, Captain Sickinger said, and authorities had not determined Thursday whether it had been mailed or simply placed in the mailbox in the town, which is 15 miles (25 kilometers) north of Albany.

Away From Politics

• **A coalition of law enforcement agencies in Washington** has recommended that the federal government prosecute physicians who prescribe marijuana for medical reasons under ballot initiatives approved in California and Arizona, according to sources who spoke on condition of anonymity. *(LAT)*

• **San Francisco health officials have declared war on cigars,** using advertisements that liken them to dog droppings in the hope of reducing their soaring popularity with young professionals, especially women. *(Reuters)*

• **Black leaders in Maryland have criticized the state government** for issuing license plates emblazoned with the Confederate flag to a nonprofit group called Sons of Confederate Veterans. *(WP)*

• **The Reverend Jesse Jackson has relented in his criticism** of an Oakland school district's plan to incorporate "black English" into its curriculum, saying he would meet with officials in hopes of helping shape the plan. *(AP)*

• **The former commander of the air force's AWACS planes** will voluntarily retire after being demoted to colonel for what was deemed inappropriate conduct with a female subordinate. Brigadier General Robert Newell accepted the nonjudicial ruling and did not appeal, air force officials said. *(AP)*

POLITICAL NOTES

Noncitizens Voted in California

SANTA ANA, California — Noncitizens registered to vote this fall with the aid of a Hispanic civil rights group and later cast ballots in the California district where Representative Robert Dornan lost his re-election bid.

Nineteen people have acknowledged that they voted though they had not completed the naturalization process. All but one were taking citizenship classes with the Hermandad Mexicana Nacional organization, which registered at least 1,357 people countywide this year, nearly 800 of whom voted in the November election.

Nativo Lopez, the executive director of Hermandad who won a seat on the Santa Ana district school board this fall, conceded that some students voted before they were sworn in.

Mr. Dornan filed a complaint Thursday with the House of Representatives contesting the results of the election, which the Republican lost by 984 votes. *(LAT)*

Census Bureau Plans Ad Drive

WASHINGTON — The Census Bureau plans to spend $100 million on an advertising campaign aimed at getting more people to participate in the next national head count, in 2000.

In 1990, an estimated 98 percent of the U.S. population was counted. *(WP)*

Gingrich Ignored His Lawyers?

ATLANTA — Lawyers advised Representative Newt Gingrich not to involve tax-exempt foundations in political projects, although the House speaker told a congressional subcommittee that he did not seek legal advice on the matter until later, memos show.

Memos from the Republican's fund-raising committee, Gopac, show that lawyers as early as 1990 advised against or urged caution in involving charitable or educational foundations in political projects, according to the Atlanta Journal-Constitution. *(AP)*

Quote/Unquote

Amy Weiss Tobe, press secretary of the Democratic National Committee, denying any link between the White House visit of a Thai businesswoman, Pauline Kanchanalak, and her $85,000 donation to the party: "There's no sticker price to go to White House events." *(WP)*

Gun Law to Apply to Police, Too

Officers Guilty of Domestic Violence Could Lose Weapons

By Roberto Suro and Philip P. Pan
Washington Post Service

WASHINGTON — A new federal gun control law is forcing law enforcement agencies around the country to search for officers who may lose their right to carry firearms because they have committed domestic violence offenses.

The nation's basic gun control law, on the books since 1968, has always included an exception for weapons used by government personnel in their official duties. But congressional Republicans removed that exception in September in the final days of the last session of Congress.

The Clinton administration and the Republicans who engineered the final version of the bill are wrangling over who should take responsibility for fixing it when the new Congress takes office next month. In the meantime, law enforcement chiefs from the smallest constabulary to the FBI are struggling with the possibility that an unknown, but potentially significant number of officers, may not be able to fulfill essential duties.

The new law prohibits the possession of a firearm by anyone convicted on a misdemeanor domestic violence charge. That typically means that the person was found guilty of using, or attempting to use, physical force on an intimate, such as a spouse or a child.

Because the official-use exception was taken out of the law in its final form, state and local law enforcement agencies around the country were advised by the Bureau of Alcohol, Tobacco and Firearms last month that any personnel who had committed such an offense should be disarmed immediately.

"I'm sure there are police agencies here with people who have had domestic quarrels, and they're going to run into a serious problem with this," said First Sergeant Bernie Shaw, who heads the Maryland State Police firearms licensing unit.

In Minneapolis, Police Chief Robert Olson issued a special order requiring officers to come forward if they were covered by the new law, which went into effect Sept. 30. So far, of nearly 900 sworn personnel, five officers have reported to the department's internal affairs office. They were required to turn over their guns and were put on administrative leave, according to a department spokesperson, Penny Parish.

The Los Angeles Police Department "intends to comply with the law, but with a department this big — 9,000 sworn personnel — it is going to require a very substantial research project," said Commander Tim McBride, the department's spokesman.

The most complicated issues may involve the 1.2 million people who serve in the armed forces. The Pentagon and the Justice Department are discussing how the law would affect military personnel.

For example, pilots with the domestic violence offenses on their records could no longer fly most aircraft under a strict interpretation of the law because their survival kits include a handgun.

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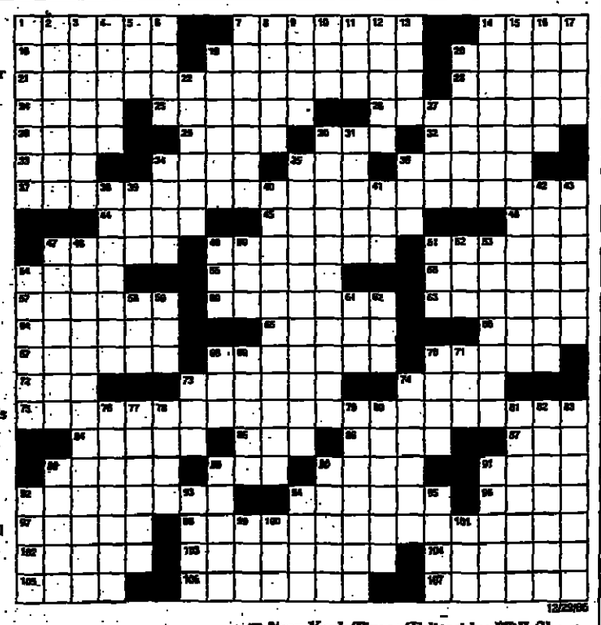
A HOST OF SINS By Bryant White



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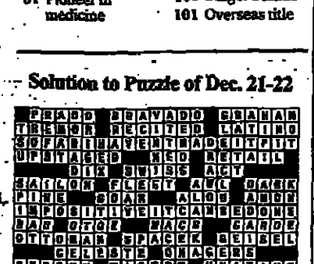
ACROSS
1 Attack severely
7 Sweet, dark wine
14 Saw-billed duck
18 Dutch city on the Rhine
19 Bacchanalian activity
20 Silly
21 Venomous snake
23 Girl, informally
24 "M*A*S*H" regular
25 Noted Riverdale High student
26 Insanity and others
28 Ballerina Spessivtseva
29 Philbrick's "—— Three Lives"
30 Some wits
32 Silver coins of ancient Greece
33 Pot-au—— (meat and vegetable dish)
34 —— were
35 Bossy remark?
36 Spanish arm
37 Rat Pack member
44 Mike, as bread
45 Captain of the Half Moon
46 Quarterback's cry
47 Sugar source
48 Victim in a 1932 mystery, with "the"
51 It comes from a fountain
54 Perfect
55 Division of a long poem
56 List shortener
57 Swamp
60 Separates
63 Writers Meyer and Ira
64 One who wails
65 Other: Fr.
66 "The Dark at the Top of the Stairs" writer
67 Planetarium
68 Comic punctuation from a drummer
70 Prepares, in a way
72 Chivvy
73 Help the cause
74 Pinch
75 "Arabian Nights" hero
84 First name in hoteliers
85 Charles, e.g.
86 Offend olfactorily
87 Suffix with portrait
88 Schubert piece
89 Schnoor
90 Million-selling
91 Jack-o'-lantern feature
92 Bargain hunter's joy
94 Axis divisions
96 Tropical tree of the soapberry family
97 Commence
98 Popular cocktail
102 Hold off
103 Blows to smithereens
104 Rouge roulette bet
105 Some beans
106 Solvent compounds
107 Like most gates

DOWN
1 Shortens
2 Worm for bait
3 One of the Leeward Islands
4 Head of Thermopylae?
5 One of L.B.J.'s beagles
6 Mystery author Lathen
7 Chopper
8 "This is ——!" (police cry)
9 1948 Hitchcock thriller
10 South of Mexico
11 "—— live and breathe!"
12 Cheryl and Diane of Hollywood
13 Nautical direction
14 17th-century rationalist
15 Hypothetical animal
16 Abbreviations for weekend days
17 Reasons
19 Year St. Augustine was born
20 They undergo mitosis
22 Prayer
27 Ones voting yes
30 Vociferous
31 —— nova
34 Plot to plant
35 "The Ten Commandments" location
36 Michael Jackson's first #1 hit
38 Where Triton is
39 ——-El (Superman's real name)
40 Doodad
41 United Nations vote
42 Opinions
43 "Relax!"
47 Feldspar, e.g.
48 Uniqueness
49 Horned frogs' sch.
50 Solo in space
51 Come together
52 Arapaho foe
53 Trattoria offering
54 Vietnamese river or delta
58 Celtic Poseidon
59 Small swimmers
61 Man of courage, to Kipling
62 Hollywood workplace
68 Emerson of tennis
69 Chief Vedic god
70 Wine shipment
71 Biographer Winslow
73 Kind of fingerprint
74 Branch railroad, e.g.
76 Intelligently planned, progresses
77 Flipper
78 Suitable for service
79 Blast furnace apparatuses
80 Chariot-driving Greek god
81 Ready to ambush
82 The East, en España
83 Broke a rule of play
88 Migratory songbird
89 Al ——
90 Just touch
91 Pioneer in medicine
92 Macarena and others
93 Jacob's first wife
94 Opposed, in Dogpatch
95 Clockmaker Thomas
99 —— angelica (organ stop)
100 Singer Sumac
101 Overseas title

Solution to Puzzle of Dec. 21-22



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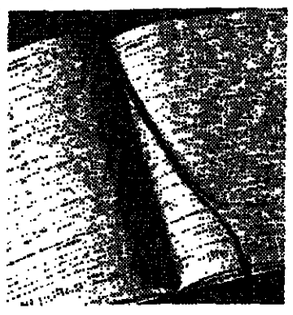

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Singapore Steps In on Behalf of Forgotten Elderly Parents

By Seth Mydans
New York Times Service

SINGAPORE — For eight years, after their daughter cut off their allowance, K. C. Wong, 71, and his wife struggled to make ends meet, living on less than $15 a day.

"It seems that my daughter prefers to pay for the living expenses of her dogs rather than for ours," Mr. Wong said.

It seemed to officials to be a shocking abandonment of filial responsibility in a culture where family bonds and obligations remain strong. But to their surprise, it turned out to be far from uncommon.

When the Tribunal for the Maintenance of Parents opened its doors in June, the Wongs joined a stream of neglected parents applying for help, some of them arriving on crutches or in wheelchairs. Clerks at the tribunal, overwhelmed by the unexpected crowd, handed out numbers to keep them in line.

The tribunal was set up under a new law that requires grown children to do what Asian societies have always expected them to do: care for their elderly parents. It provides a legal mechanism for parents older than 60 to demand support, and a system of mediation and hearings to resolve claims.

Since that first day, at least 200 cases have been brought to the tribunal, said Walter Woon, the legislator and law professor who proposed the idea two years ago. At that time, he said, many people were skeptical. They doubted that Singaporean children would turn their backs on their parents or that parents would sue their children.

The tribunal represents the government's attempt to remind citizens of their obligations to their parents, Mr. Woon said.

This newly uncovered family problem is one of the effects of the social changes in this rapidly modernizing nation, where in one generation many people have moved from crowded alleys to vast blocks of apartment buildings and from poverty to affluence.

"I don't buy this Asian values stuff," Mr. Woon said. "It's not just Asian values, it's human values. It is modernization that is changing things more than Westernization." It is also demographics. Partly because of a successful family-planning program, Singapore is aging faster than any other Asian nation. Within the next 25 years, more than a quarter of the population is expected to be over 60.

Social-engineering programs tend to work here, and a "stop at two" campaign for small families in the 1960s quickly brought the birth rate below replacement levels. The stance was reversed in 1987 with a program urging, "Have three or more if you can afford it." Singapore's population is now 3 million and slowly growing again.

The Tribunal for the Maintenance of Parents is the next step in engineering family behavior as the government anticipates the rapid growth of the elderly population.

"In Singapore we look at things and say, 'We've got to fix it before it becomes a problem,'" Mr. Woon said. "We are trying to maintain a social climate that values the family."

Once the work of the tribunal uncovered the extent of the problem, other signs began to emerge. Medical and social workers reported that increasing numbers of children were failing to visit hospitalized parents and in some cases were reluctant to take them home when they were discharged.

"They seldom visit their aged parents in hospital," said Ong Chen Siew, an administrator at Alexandra Hospital. "They refuse to answer our calls. Sometimes we even have to go to their workplaces to look for them."

Sessions at the tribunal are confidential, and the only reporters who have been permitted a glimpse are those from The Straits Times, which is controlled by the government.

In a Straits Times article on the tribunal's first day, Mr. Wong's wife was reported close to tears as she described the affluent life of her daughter, who lives with her family in a three-story bungalow with a maid and three dogs.

Another petitioner, C.H. Leong, 76, said the apartment he had bought for his retirement had been taken over by his son, who now refused to share it with him. "He and his wife refused to let me in," Mr. Leong said. "How did I know he would be so unfilial?"

But the tribunal is careful not to let things get out of hand. Recently, it publicized a cautionary tale about the case of an 80-year-old man whose greed got the better of him.

After he demanded $567 a month in maintenance from his five sons, the tribunal discovered that he had abused and abandoned them 33 years earlier.

It turned him down.

Tibet Researcher Sentenced as 'Spy'

Fulbright Scholar Gets 18 Years

By Patrick E. Tyler
New York Times Service

BEIJING — China announced Friday that it had sentenced a young Tibetan music expert to 18 years in prison, alleging that he returned to his native land last year as a U.S. Fulbright scholar to conduct espionage under the guise of filming traditional music and dance.

The announcement that Ngawang Choepel, 30, had been sentenced by a court in Tibet's second largest city of Xigaze was carried by the state-run Radio Tibet and monitored by the British Broadcasting Corp. Mr. Choepel has been detained in Tibet since September 1995.

The sentence was among the longest handed down in recent years for an alleged political crime and comes at a time of continuing harsh treatment of political and religious dissidents throughout China.

The sentencing will complicate efforts by the Clinton administration to avoid another confrontation with China at the March 1997 meeting of the United Nations Human Rights Commission in Geneva, where the United States and European nations have sponsored consecutive annual resolutions condemning China's human rights record since 1990.

Beijing has mustered the votes to defeat the resolution each time, but some votes have been extremely narrow.

Mr. Clinton has been pressing China's leaders in private to take some positive steps on human rights that would allow the annual confrontation to end, especially in 1997, a year when Vice President Al Gore is scheduled to travel to China and President Jiang Zemin is scheduled to make his first state visit to Washington.

But China has carried on with its most comprehensive crackdown on religious and political dissent since the aftermath of the 1989 prodemocracy uprising at Tiananmen Square.

The Chinese authorities went out of their way in the radio broadcast about Mr. Choepel's sentencing to implicate the U.S. government in the alleged espionage.

"In July 1995," according to the report, Mr. Choepel was sent to Tibet by the "clique" of the Dalai Lama, Tibet's exiled spiritual leader, and he was financed "with expenditures and equipment provided by a certain foreign country."

The broadcast said he carried out an "espionage" program under the guise of cultural investigation and in the course of his stay in Tibet, which the report characterized as a "intelligence collecting program," he traveled to Lhasa, Shannan, Nyingchi and Xigaze. The information he gathered, the radio said, was provided "to the Dalai clique's government in exile and to an organization of a certain foreign country."

The London-based Tibet Information Network said Friday that the Chinese ambassador in Washington, Li Daoyu, had earlier identified the "certain country" as the United States.

Mr. Choepel was born in Tibet, but fled the region at the age of 2 with his parents in 1968. He grew up in the Tibetan exile community in India, where he taught traditional dance. He spent 1993 at Middlebury College in Vermont, and was awarded a Fulbright Scholarship to further his studies.

To gain permission to enter Tibet, he was forced to renounce his Indian refugee status, becoming a Chinese citizen.

He was last reported scene in the market of the Western Tibetan city of Xigaze, and has been held in prison there, according to Tibetan exile groups.

Enny Nuraheni/Reuters

INDONESIA RIOT QUELLED — Troops patrolling Tasikmalaya, in East Java, on Friday after rioting over a report that the police had beaten four Muslim religious teachers. Two deaths were reported. President Suharto appealed for tolerance.

Taiwan Aide Asks To Stop in the U.S.

Agence France-Presse

WASHINGTON — The State Department said Friday that it was considering a request that Vice President Lien Chan of Taiwan be allowed to stop over in the United States on his way to Nicaragua next month.

"We are considering the request, we have not made a decision," a State Department spokesman said. Mr. Lien is expected to attend the inauguration of Nicaragua's president-elect, Arnoldo Aleman, on Jan. 10.

BRIEFLY ASIA

China Gives Notice On Taiwan Ships

BEIJING — Beijing on Friday warned that Taiwanese ships visiting Hong Kong after the British colony returns to Chinese rule must not fly any flag that contravenes the so-called one China principle.

"When Taiwan-registered ships enter Hong Kong ports, no flag may be flown that creates a 'two Chinas' problem," an official of the State Council said.

Beijing had already decreed that shipping and air links between Hong Kong and Taiwan could continue after the June 30 handover of sovereignty, the official added.

Flying the Republic of China flag used by Taipei is banned in China, which considers Taiwan a rebel province. Beijing has repeatedly accused Taipei of wanting to split China, but the government of Taiwan says it still hopes for eventual reunification. *(Reuters)*

Japanese Official Eludes Prosecution

TOKYO — The secretary general of Japan's governing Liberal Democratic Party was cleared Friday of tax-evasion charges.

The Tokyo district public prosecutor's office said it had decided not to prosecute Koichi Kato because of inadequate evidence.

The opposition New Frontier Party lodged a criminal complaint in March with the prosecutor's office over secret donations worth 10 million yen ($87,000). Mr. Kato, then the deputy chief cabinet secretary, allegedly received the money in January 1990 from the vice president of a steel-frame company, who also has been charged with bribing a minister.

Mr. Kato failed to report the income and thus evaded taxes, the opposition party charged. *(AFP)*

For the Record

Daw Aung San Suu Kyi, the Burmese opposition leader, left her home Friday to pay respects at her mother's tomb on the eighth anniversary of her death. Sources close to the pro-democracy leader said it was the first time she had left the compound since early this month. *(AFP)*

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Target Date Set for Deal On Hebron

Both Sides Say Dec. 31 Now Appears Possible

Compiled by Our Staff From Dispatches

JERUSALEM — The Palestinian leader, Yasser Arafat, will meet with Defense Minister Yitzhak Mordechai of Israel over the weekend in a top-level effort to wrap up negotiations on an Israeli troop withdrawal in Hebron by New Year's Eve, it was announced Friday.

Both sides have said the target date for the deal could be met.

Prime Minister Benjamin Netanyahu met Palestinian security officials on Friday as peace teams pressed ahead with efforts to close a deal on the long-overdue Israeli troop pullback.

The Palestinian West Bank preventive security chief, Jibril Rajoub, said: "I believe we are very close to completing the agreement. The subjects of contention are limited."

Mr. Rajoub said Mr. Arafat would meet with Mr. Mordechai on Sunday and later with Mr. Netanyahu.

The sides discussed the details of security arrangements that will govern Hebron after the handover of 80 percent of the West Bank town to self-rule by the Palestine Liberation Organization, officials on both sides said.

According to Mr. Netanyahu's office, the prime minister said at the meeting he was "standing firm concerning the security requirements of Israel in Hebron."

An Israeli official said the Palestinians had accepted some of Israel's key security demands.

Hebron itself remained tense Friday as three petrol bombs were thrown at an Israeli army observation post near a Jewish settler enclave in the heart of the city. Hebron is holy to Muslims and Jews and a bastion of militancy for both.

The incident occurred shortly after the Netanyahu aide and key negotiator Yitzhak Molho toured Hebron, home to 400 Jews and more than 100,000 Palestinians.

As the agreement draws near, rightist opposition to it in Israel is growing. Hundreds of Israelis, most of them teenagers, arrived in Hebron on Friday to spend the Jewish Sabbath with the 500 Jewish settlers who staunchly oppose the emerging accord.

After the handover, Israeli troops will remain only in the downtown area where the settlers' enclaves are located. The settlers have said the "redeployment" will jeopardize their security.

(AP, Reuters)

Ronen Zvulun/Reuters

ON THE SUNNY SIDE — Israelis taking advantage of the weather Friday at a Jerusalem café. According to records, Israel has not had such a warm December, with temperatures up to 22 degrees centigrade, since 1963.

RADIO: *Static for a U.S.-Run Asia Service*

Continued from Page 1

especially the Voice of America. Many career diplomats in China see Radio Free Asia as needlessly confrontational at a time when Washington seeks to reduce conflict with Beijing.

In Washington, the station's vice president for programming, Daniel Southerland, insisted that the network's signal was getting through and said he had letters from Chinese listeners to prove it. He also said the International Broadcasting Bureau, which serves the Voice of America and Radio Free Europe, Radio Liberty and Radio Free Asia, had "monitoring stations" in China that had picked up the radio's signal. He attributed any poor reception to "local jamming of a neighborhood" or an "idiosyncrasy of transmission."

But U.S. officials in China say they are unaware of any monitoring stations and doubt Mr. Southerland's claim that "local jamming" is behind Radio Free Asia's disappearance from the airwaves.

Whether or not such technical problems turn out to be anything more than start-up glitches, more serious concerns have arisen.

A prominent Chinese intellectual, Dai Qing, abruptly dissociated herself from Radio Free Asia this fall, accusing the network of putting her in jeopardy of arrest by presenting a confrontational image to the Chinese government.

Miss Dai had signed on to work for the radio operation in April as its China-based correspondent when it was to be called Asia Pacific Network. But in the final stages of congressional approval last summer, powerful members of Congress insisted that the name be changed to Radio Free Asia, which is more provocative to Chinese ears.

The name change was followed by promotional statements by Mr. Southerland and others at Radio Free Asia that Miss Dai would be among the contributors to the program, along with prominent Chinese dissidents living in the United States, such as Liu Binyan, who advocates the downfall of China's Communist government.

These developments put Miss Dai, China's most prominent female journalist, in fear for her safety, she said.

"Any day, if the police were to come to take me, I would not be surprised at all," said Miss Dai, 52, who spent nearly a year in prison following China's military crackdown on the pro-democracy movement near Tiananmen Square in 1989.

Miss Dai's supporters have been swift to criticize Radio Free Asia for its lack of discretion in continuing to pursue Miss Dai as a contributor after the name change.

"I think it is unconscionable to put people at risk, knowing how the Chinese government viewed this enterprise from the very beginning," said John Kamm, a Hong Kong business leader who has advised the administration of President Bill Clinton on human rights policy and who regularly travels to Beijing to seek the release of political prisoners. "One cannot deny the reality that the Chinese government viewed this as a threat and as an instrument to overthrow the rule of the Communist Party."

Geremie Barme, a China scholar at Australian National University and a close friend of Miss Dai's, said he tried to discourage her from getting involved with the station, feeling that she underestimated the seriousness of the risk.

"The organization should have taken more initiative to protect her," he said. "You know she is just a sitting duck."

Mr. Southerland, a former Beijing bureau chief for The Washington Post, defended Radio Free Asia's actions in the case of Miss Dai but said that he and other network executives gave little thought to the impact of their dealings with a prominent Chinese dissident who lives under the eye of China's Ministry of State Security.

Instead, Mr. Southerland indicated that his primary concern throughout was to ensure that any programming Miss Dai contributed would be journalistically balanced. "We always figured it would be difficult to deal with contributors inside China," he said.

TAIWAN: *Officials Seek to Slow the Pace of Investment in Enterprises Across the Strait*

Continued from Page 1

China, regardless of the risk involved."

It is a stark illustration of the way in which money often overshadows guns and ideology in reshaping Asia in the '90s. Many analysts see the increasing integration of the two economies as the best hope for resolving the conflict between China and Taiwan, enemies since the Nationalist government moved to the island in 1949 after losing the civil war in China.

Many Taiwanese, like other foreign business executives in China, argue that the greater risk lies in not investing in such a massive market. They say China, though still poor, is undergoing an industrial revolution not unlike that of the United States a century ago.

"You cannot say, 'Look, just forget about China,' " said Ming Chien, chairman of First International Computer Inc., a Taiwan computer company. "If you don't have a share of this market, you are going to be less competitive."

Victor Chen, director of Aurora Office Equipment Co., a Taiwan company that is taking part in the rush, said, "We see China as the most potentially important market in the world."

As Mr. Chen spoke, he stood in an almost completed office building whose large windows, marble and winding staircases contrasted with the rice fields and concrete farm homes of Jiading.

The building is part of a new 10-building factory and office complex where Aurora is moving much of its furniture and consumer-electronics manufacturing and sales operations. The company also is building a 37-floor office tower in the financial section of Shanghai. Aurora plans to sink a total of about $200 million into these Shanghai-area facilities.

Mr. Chen said that the move was the cornerstone of Aurora's plans for growing from $480 million in annual sales to $4 billion by 2005. Unlike some other Taiwan companies, however, Aurora plans to keep a manufacturing facility in Taiwan, Mr. Chen said.

Many Taiwanese argue that the greater risk is not investing in China: 'If you don't have a share of this market, you are going to be less competitive.'

Takashi Hoshino, senior economist for the Tokyo-based Long Term Credit Bank, said some Taiwan companies eventually would leave Taiwan altogether for China.

"A Japanese company normally keeps its head office in Japan," said Mr. Hoshino. "But Taiwanese companies, which are often small, often pour all their resources into their China investments, so then their management moves to China, and they transfer all their technology there. Eventually, the head office in Taiwan is really just a representative office."

First International Computer, whose Shanghai operation is down the street from Aurora's new complex, has taken a more cautious approach.

"Maybe there are some political problems, so we have to be careful," Mr. Chien of First International said. "So even if something happens, and Chinese authorities, say, 'OK, forget it; you must let us take over all your properties in China,' our investments are limited. We can let it go."

Still, First International's presence in China is not insignificant. It has invested about $40 million in China, has put five of its eight production facilities there and employs about 1,000 people in China. In its new Jiading factory, 300 employees assemble computer monitors that are exported to the United States, to Europe and to other Asian countries.

To improve the efficiency of the factory, the company has imported state-of-the-art manufacturing and testing equipment and trained employees in the latest manufacturing and management techniques, and it plans to hire computer-software engineers soon to do on-site product-design work.

Across the street, a dormitory for workers is under construction, and the company has plans for a high-technology park. In all these ways, First International is helping build a computer-industry infrastructure in this part of China.

A decade ago, such activities would have been considered treasonous. At that time, Taiwan prohibited its citizens even from visiting the mainland. But in 1987, Taiwan opened the door a little, allowing people to visit relatives in China and allowing the shipment of Taiwan-made goods to China through other countries.

In the late 1980s, as Taiwan prospered, wages and the Taiwan dollar rose, making the production of goods for export more expensive.

At first, Taiwan business executives went to Malaysia and Thailand in search of cheaper land and labor. But many businesses encountered problems because of language and cultural differences. Then Taiwan businessmen visiting relatives on the mainland found local officials approaching them with offers of low-cost land and employees — who of course spoke Chinese.

Taiwan entrepreneurs soon got around their government's ban on investments in the mainland by using subsidiaries in third countries, and thousands of shoe, umbrella, toy and textile production lines were transferred, generally to small towns in Fujian and Guangdong, the provinces closest to Taiwan.

In the early 1990s, Taiwan changed the law to authorize investing in China via a third country. This year, the largest amount of Taiwan funds has been flowing to Shanghai and to Jiangsu, the province north of Shanghai.

It ought to keep flowing, Mr. Chien said. "If we're not in China," he said, "other countries will do it. The Koreans, the Japanese — everybody else will be there."

BOOKS

AIRFRAME

By Michael Crichton. 352 pages. $26. Alfred A. Knopf.

Reviewed by Christopher Lehmann-Haupt

A WIDE-BODY passenger jet, TransPacific Airlines Flight 545, en route from Hong Kong to Denver, suddenly goes through a violent series of steep dives and climbs. The pilot requests priority clearance for emergency landing at Los Angeles. His plane is minimally damaged, but passengers have been injured, some fatally, and he may need as many as 40 ambulances.

At home in nearby Glendale, Casey Singleton is explaining to her 7-year-old daughter that her position at Norton Aircraft is now "Quality Assurance rep on the Incident Review Team," which means she checks the planes after they leave the plant.

Casey's beeper squeals, calling her to an emergency team meeting, where she learns not only of the incident involving the airliner, which Norton built, but also of the possible $8 billion sale of 50 similar wide-body jets to China, depending on whether the plane is found to be safe.

"I fly to Beijing Sunday," the chief operating officer tells Casey and her team, "and sign the letter of intent with the Minister of Transport. He's going to want to know what happened to Flight 545. And I better be able to tell him, or he'll turn around and sign with Airbus." He concludes: "The future of Norton Aircraft is riding on this investigation. So I don't want to hear anything but answers. And I want them inside a week."

Thus the reader is hurled unsubtly into Michael Crichton's latest exercise in corporate realism, which bristles like the author's previous fictions (most notably "Disclosure," "Rising Sun" and "Jurassic Park") with arcane terms and technological jargon. And as much as you may be put off by the author's heavy-handed plotting and wooden characterization, you are elated to be overcoming the frustrations recently visited by the mystery of TWA Flight 800, and to be able to track successfully the elusive cause of an air disaster.

What Casey's team suspects may have caused Flight 545's problem is a "slats deploy," with no autopilot override. The plane in question, an N-22, has had such a problem before. In case you don't understand what this means, Casey has been assigned an assistant who is ignorant of the airframe business, to whom she says spontaneously: "You know anything about aerodynamics? No? Well, an aircraft flies because of the shape of the wing."

She goes on to explain: "When the aircraft is moving slower, during takeoff and landing, the wing needs greater curvature to maintain lift. So, at those times we increase the curvature, by extending sections in the front and back — flaps at the back, and slats at the leading edge." The trouble is, "If the slats extend, the plane may become unstable." And this appears to be what happened to Flight 545.

Casey will deliver such lectures at the drop of Crichton's fingers on his word processor. She explains why DFDRs — digital flight data recorders, or black boxes — work properly in only one out of six cases. She explains that airliners are built safe but that deregulation has put such economic pressure on the airlines that corners have been cut. Counterfeit parts have been used. Maintenance has gotten sloppy.

And, Casey explains, when something goes wrong, a media industry that has grown hostile and shallow with the ascendancy of television always jumps to the wrong conclusion. Why, just look at what happened to the DC-10, "a good aircraft . . . destroyed by bad press," because the crash of an American Airlines flight from Chicago to Los Angeles in May 1979 was misreported and misunderstood.

But economies are also forcing technological advances, like the design of the "Virtual Heads-Up Display," which projects repair manuals on the inside of sets of glasses that maintenance people can wear.

Do these lectures have anything to do with the plot of "Airframe"? Actually, you can figure out from them approximately what is going to happen in the story. The characters are fleshed out just enough to make you care about the outcome.

And Crichton has made good dramatic use of aircraft-manufacturing scenery, like the towering equipment erected to produce certain parts, or the Cycle Electrical Test, as it is known, which tests in rapid succession "everything from cabin lights to reading lights, cockpit display panels, engine ignition and landing-gear wheels."

Imagine searching a plane for a key part and being stalked by adversaries while such a test is going on. The scene will work well in the coming film version.

Less entertaining is Crichton's habit of saying that something significant has happened in a scene while at the same time withholding its significance. Repeatedly, a character will exclaim over seeing something yet neglect to say what it is, or the narrator will describe one character saying something to another without revealing what was said. Gradually these blank spaces form a pattern that shapes the story's climax, which turns out to be satisfying enough in its way but also manipulative and patronizing.

What Crichton inadvertently reveals by this practice is that his characters are too shallow to have thought processes, that they are binary simpletons who either know or don't know, either understand or are stunned.

When you finish the novel and ask yourself why you end up feeling both entertained and frustrated, you are forced to reflect that a writer clever enough to bring such material to life ought to have been able to tell his story without playing manipulative games with the reader.

Christopher Lehmann-Haupt is on the staff of The New York Times.

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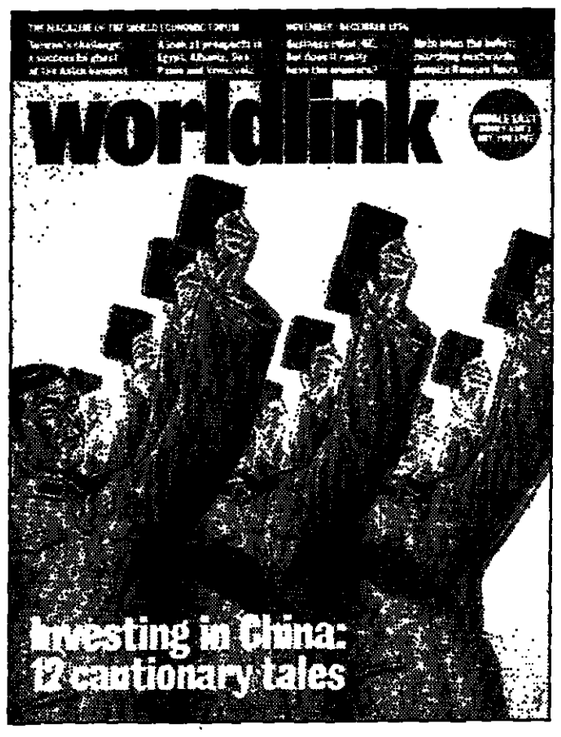

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Herald International Tribune
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Pressure on Milosevic

The five-week standoff between President Slobodan Milosevic of Serbia and democracy advocates appears headed for a dangerous and possibly brutal denouement.

Mr. Milosevic has given up trying to ignore the huge daily protest marches through Belgrade and is now maneuvering to suppress them. The United States, rightly seeing through the regime's attempts to provoke protesters to violence, has made it clear that it will hold the Serbian ruler accountable for any bloodshed.

The most serious incident so far occurred Tuesday, when the police and Milosevic loyalists attacked opposition marchers. One man was killed and scores wounded in the clashes. The regime then declared further demonstrations illegal. But on Thursday, about 60,000 marchers defied the ban and police assaults to continue the protests.

The demonstrations began after Mr. Milosevic annulled the electoral victories of an opposition coalition in several major cities last month. Accepting his manipulation of elections would have ended any pretense of democratic accountability in Serbia. In particular, it would have made next year's presidential contest, in which Mr. Milosevic himself will seek a new term, little more than a ritual coronation.

To avoid that result, students and supporters of a wide range of opposition parties, numbering at times as many as a quarter of a million people, have been staging peaceful nightly vigils, drawing diplomatic support from Washington. For a time, Mr. Milosevic seemed inclined to make at least limited concessions. But more repressive counsels now seem to have prevailed.

The West has considerable potential to influence Mr. Milosevic's behavior through its ability to deny access to the international loans and respectability that he badly needs and wants. After Tuesday's clashes, Acting Secretary of State Strobe Talbott pointedly reminded Belgrade that one sure consequence of violence by government forces would be Serbia's international isolation.

That warning will be taken more seriously if it is joined by other governments, particularly those of Western European countries like Britain and France that have too often indulged Mr. Milosevic's misdeeds in the past. Having heeded Europe's pleas for a continued joint military effort in support of peace and democracy in Bosnia, Washington is entitled to press for a united front for democracy in Serbia.

Serbia's opposition coalition includes some nationalists opposed to the Dayton peace agreement as well as antiwar democrats. Mr. Milosevic, once the leading sponsor of the Bosnian conflict, has more recently become a vocal but selective supporter of the Dayton accords. But it would be wrong to equate his cynical effort to remain in power with the cause of regional tranquillity. The most secure foundation for long-term peace in the region would be wider democracy in all countries of the former Yugoslavia.

—THE NEW YORK TIMES.

Indian Leadership

India has just made a demonstration of the sort of wide-view leadership that the South Asian subcontinent badly needs.

Earlier this month, it resolved a generation-old dispute over the sharing of the waters of the great Ganges River with Bangladesh, India's far weaker neighbor, which lies downstream. In 1975, imperious India had built a dam that let it hoard and divert waters crucial to the Bangladeshis, and without consulting them. This was the kind of punishing dispute, over a scarce natural resource, that can easily get out of hand and even lead to war. But now, by an initiative of Prime Minister H. D. Deve Gowda of India, the issue is being treated and removed. Aside from the tensions that will be diminished, the lives of tens of millions of people stand to be improved.

An American scholar, Sumit Ganguly, observes that for years Bangladeshi governments routinely petitioned for fair water-sharing and were routinely put down. Indians questioned the merits of Bangladesh's complaints, shied from making concessions that might embolden other pesky neighbors and worried about nationalist reaction at home. This time, however, Mr. Deve Gowda found a personal intermediary in the (Communist) leader of the Indian state most affected by the issue, West Bengal, and found a Bangladeshi partner in Prime Minister Hasina Wazed, who enjoys unusual popularity in India. Stepping in where majority Indian governments had feared to tread, Mr. Deve Gowda did it, no less, as head of a minority coalition.

International notices for India in recent months have centered on the nation's obstinate refusal to accept the terms of the nuclear nonproliferation treaty and its heavy-handed tactics in the Himalayan state of Kashmir. It deserves encouragement and applause when it tempers its nationalism. Kashmir is where an enlightened policy would be the hardest to pursue but would have the most valuable payoff — for nuclear India and for the neighbor with which it has the most inflamed relationship, nuclear Pakistan. If the Ganges agreement is an example of the leadership Mr. Deve Gowda can provide, let us see more of it.

—THE WASHINGTON POST.

Where's the Buzz?

The American wild honeybee virtually died out last winter and, in some states, 80 percent of commercial honeybee colonies died out as well. Gardeners accustomed to the familiar buzz heard instead the sound of silence. With no bees to bring pollen from plant to plant, gardeners raised fewer apples, cucumbers and zucchini, and what did grow was puny. As cold weather bears down again, bees are once again endangered. The American honeybee faces the worst threat in its history, one with potential consequences for the one-third of the national diet that relies, directly or indirectly, on honeybees for pollination.

The chief culprits are two mites that invaded the United States in the mid-1980s. The tracheal mite, first seen in the country in 1984, lives in the insect's breathing tubes. It kills a whole bee colony at once. The Varroa mite, which came three years later, sucks the bees' blood and causes an early death. They have spread to most states and are particularly deadly in places with long, cold winters.

The bee disaster has not yet produced a crop disaster. Large agricultural producers in states that lost their honeybees rented colonies last summer from less affected states. And beekeepers are learning to kill the Varroa mites by hanging chemical strips in the hives twice a year. The tracheal mite, which has weakened in the last few years, can be killed with menthol crystals.

While the Varroa mite may follow the tracheal mite and become more benign, it also could take a sinister route, developing resistance to the one miticide beekeepers in the United States can use to kill it.

This has already happened in Italy. Researchers are working on new miticides. But this is not the best long-term solution. They must find insects that can replace the honeybee, which does 80 percent of insect pollinating. Or they must develop new strains of bees that the mites cannot kill. Even if the perfect bee appeared tomorrow, it would take quite a number of years to spread the strain throughout the United States.

Because it has not yet greatly hurt commercial agriculture, the threat to the honeybee has not generated much publicity or needed research funds. About a dozen researchers in the United States are working on the problem, in an Agriculture Department-financed lab and at several universities. While Agriculture Department officials say the researchers have the resources they need, the researchers disagree.

The lack of money betrays short-term thinking on the part of both the Agriculture Department and commercial fruit and vegetable producers. Bee researchers say $100,000 would make a lot of difference. This is not an excessive sum to save the honeybees from declining further and possibly taking with them much of what American farmers grow.

—THE NEW YORK TIMES.

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State Dept.'s Decline Endangers U.S.

By Howard L. Berman

WASHINGTON — Post-Cold War complacency has dangerously weakened one of America's premier defenses against foreign military and economic threats. Morale in this government department has plummeted. Senior officers are retiring or being forced to retire in droves. Junior officers and support personnel are also quitting. Budget cuts result in poorly maintained and outdated equipment, prone to failure in moments of extreme urgency. The heart is being hollowed out of the country's first line of defense.

If this were the Defense Department, one congressional committee after another would be vigorously investigating the question of who sold out America's security. Instead, many committees are joining in the attacks.

If these attacks were against military officers, they would be condemned as unpatriotic. But they are not denounced, nor are there any investigations into who is responsible for damaging the nation's security. Why? Because the agency involved is not the Department of Defense but the Department of State.

Unfortunately, the activities of the State Department and other international agencies are seldom equated with national defense. America's Foreign Service officers provide an early warning system to prevent problems and resolve conflicts before military intervention becomes necessary. Diplomats abroad work closely with foreign police to keep criminals, narcotic traffickers and terrorists from American shores. Despite these efforts, however, many politicians refuse to support the State Department.

Politicians think the public does not want to spend money on foreign aid. But polls show that public opposition is based on the misperception that the country is spending 20 percent of its budget on foreign affairs, rather than the true level of 1 percent. According to a poll by the Chicago Council on Foreign Relations, two-thirds of the American public want the United States to remain a world leader. They think it should be spending five times more on foreign aid than it is. But since the 1980s, international affairs spending has declined by nearly 50 percent in real terms.

Congress isn't listening to the public. The 1996 congressional budget-balancing resolution cuts international spending by an additional 30 percent over six years. By any measure, this reduction would profoundly reduce America's stature as a world power. The reduction could have these consequences:

- Either aid to the Middle East would be greatly reduced, affecting Israel's military and the peace process, or foreign aid to almost every other country would have to be eliminated.
- Either 12 of the largest embassies or 100 of the smallest would have to be closed.
- Support for U.S. business overseas through the Export-Import Bank and other international economic agencies would diminish.
- Financing for nonproliferation, counternarcotics and aid for the environment, democracy and population planning would be decimated.
- Information services such as Voice of America and Radio Free Asia would have to cease operation or cut back broadcasting.

This trend must be reversed.

While the Defense Department has a "two conflict" budget, the international affairs programs of State, and other international agencies are financed for a "no crisis" world. Because of these constraints, the United States was forced to rob Peter to pay Paul in these instances:

- To aid the West Bank and Gaza, funds for the Central American peace agreement were diverted.
- To finance Cambodian elections, funds for all the rest of the world were reduced.
- To pay for the peacekeeping effort in Haiti, aid to Turkey was cut.
- To meet Rwanda refugee needs, funds for the rest of Africa were drained.
- When $2 million was needed to monitor the cease-fire between the Kurdish factions in northern Iraq, there was no money.

Money problems also have an immediate impact on any American citizen traveling or living abroad. Worldwide, in the remotest area, U.S. Embassy "duty officers" can be contacted 24 hours a day. Most other countries' embassies have a recording. When someone dies or is injured, the U.S. Embassy is called first.

Nor does staying at home prevent the world's problems from knocking at America's door. AIDS — along with other infectious diseases such as malaria — terrorism, narcotics trafficking and chemical weapons all have found their way to America.

Likewise, the fallout from political and social unrest abroad ends up at America's front door in the form of refugees, an increased demand for military intervention and declining markets for American goods. Eighty percent of "foreign" aid is eventually spent on goods and services in the United States. This investment translates into 200,000 jobs and helps exports of American goods.

International-affairs financing should be increased from $19 billion in 1997 to $21 billion in 1998 — a net increase of about one-tenth of 1 percent of the entire fiscal year 1997 federal budget and about four-tenths of 1 percent for the total discretionary budget, according to a group of foreign-policy experts.

President Bill Clinton must personally discuss this issue. He and the Republican-led Congress must bite the budget bullet and make the case to the American public that too little money today will mean that the United States will be too late to meet tomorrow's threat around the globe. National security depends upon adequate money for the diplomatic corps as well as the military corps.

The writer, a Democratic representative from California, is a member of the House Committee on International Relations. He contributed this comment to The Washington Post.

Press Deserves This Jury Slap

By A. M. Rosenthal

NEW YORK — The jury rules against the press on a First Amendment issue, but I feel no tremor of anger, no professional sympathy for the defendants.

The verdict went against ABC for using hidden cameras and reporters masquerading as meatpackers to get a story suggesting that a supermarket chain sold spoiled meat. Denounce me, press colleagues, renounce and pelt me, but I think the verdict may turn out to be helpful to the news business.

What's going on? Am I getting *mellow* about rulings against the press and passive about the First Amendment? In fact, I hope the verdict against ABC — fraud and trespass — is overturned. I don't think a contradiction lurks there. News decisions belong in the newsroom, not the courtroom.

But the jury in North Carolina did something the press should have done long ago: focus attention on undercover reporting, a practice that puts private rights in conflict with press rights. Undercover reporting demeans journalism by insisting on the right of reporters to do in professional life something they would never willingly allow done to themselves or to their news operations. They know that, the reporters in masks and the TV directors ordering the planting of hidden cameras.

News offices are treasuries of information that might interest the public as much as the goings on in a supermarket: stories in progress, the names of whistleblowers, and national security details, like the identity of government agents, which news people have decided to withhold.

If another newspaper, magazine or TV team sent its employees into our homes or offices undercover or planted cameras in them, we would leap into ecstasies of rage.

"But it is the only way to get the story!" Exactly as often as an undercover operation was proposed in my editing years, that is how often I have heard that rationalization.

The first answer is: who said so? The most important investigative stories were not achieved by reporters masquerading as meter readers or stockroom help. They were done by journalists with the courage to keep digging, keep accumulating enough information to print the story — or the even greater courage to decide that it couldn't be proved.

The second answer is: O.K., so we won't get it. I have run across no story that I thought so valuable that a self-respecting newspaper or TV operation had to dirty itself or the news business to get it.

Can I think of a story or picture so important that theoretically it might overpower distaste for journalism undercover? Certainly — stories of corruption in the presidency, the massacre of minorities, the official but secret story of the conduct and loss of a war, photographs of the victims of war crimes or of corpses piled outside a death camp.

But — go please to the first answer. Every one of those stories or pictures was obtained by reporters and photographers who acted exactly as what they were, nothing else.

Possible mishandling of food is a serious matter. ABC is a serious, invaluable part of mainstream reporting in America. How it handles stories is of great importance to its audience, and American journalism.

The decisions belong in the only place they can be made day to day and stay within the First Amendment — in American newsrooms, not American courts.

For reminding us of the problem and warning us we have to take the responsibility as individual news organizations, not in court or collectives, the jury in the supermarket case deserves the respect of all journalists who insist on working free and without masks — both, and at the same time.

The New York Times.

Threats to a Smooth Succession to a Post-Suharto Indonesia

By Philip Bowring

JAKARTA — The endgame of the Suharto era ought to see the forces of moderation and modernization coalesce to prepare for a future without him. But in practice, short-term government tactics to weaken mainstream critics may be damaging long-term social stability.

The subversion trials of the labor leader Muchtar Pakpahan and the leftist Budiman Sudjatmiko — trials that stem from riots that erupted in July after soldiers raided the headquarters of the opposition leader Megawati Sukarnoputri — are supposed to remind the nation of the danger posed by radical forces.

But the credibility of the government is meager. Its own human rights commission rejected official explanations that radicals were behind the riots. Most now see the movements as a spontaneous reaction to the official use of mob violence to take over Mrs. Megawati's headquarters. The government has also used extraordinary powers to overturn the Supreme Court's acquittal of Mr. Muchtar on other charges.

Perhaps worse, covert operations are now widely believed to have been behind an outbreak of church burnings in Java. Officially attributed to Muslim mobs, these have been seen as an effort to discredit Abdurrahman Wahid, head of Indonesia's largest Muslim organization.

Mr. Wahid is a model of toleration but happens to be close to Mrs. Megawati. It does not augur well for a smooth succession if those in power see stirring communal tensions as a legitimate weapon.

The government has managed to break Mrs. Megawati's momentum. Her faction will be excluded from next year's parliamentary election, ensuring that the governing Golkar party will win close to the 70 percent of the vote it hopes. There is scant sign of a broad opposition coalescing around her.

Mrs. Megawati, the housewife daughter of the late President Sukarno, is neither leader nor martyr. But that has not stilled debate about the future. Indeed, the pressure on mainstream critics may be radicalizing some of them while intensifying the struggle between groups within the ruling elite.

The encouraging aspect of the situation is that desire for more openness is strong enough that the regime is under scrutiny. Indonesia has newspapers that, though fettered, report more than is the norm in much of the region. It has its human rights commission and judges prepared to flaunt their independence. The Nobel prizes this year for East Timor activists have extended debate. Some policy issues get thrashed out in public — recently there has been open wrangling between the technocrats and Research Minister B. J. Habibie's unorthodox and nationalist economics. Also, barely a day goes by without a retired general calling for political change.

No one now expects that Mr. Suharto, 75, will step aside when his term ends in 1998. Despite occasional hints of retirement, many believe that, like Javanese kings, he intends to die in office. So all eyes will be on the choice of vice president, who would succeed if Mr. Suharto dies in office.

The leading candidates now appear to be the army chief of staff, Hartono, and Mr. Habibie. Mr. Suharto has never quite trusted the armed forces. Nonetheless, Mr. Hartono has the edge over Mr. Habibie, whose economic nationalism and Islamic credentials have given him a political base but also made him unpopular in the army and among technocrats and business groups. His strength is his personal relationship with Mr. Suharto.

Those considering a family-oriented succession in the new presidential term in 2003 note the rapid promotion of Mr. Suharto's son-in-law, Major General Prabowo Subianto. The young head of the Special Forces, he also has family ties to business and intellectual elites.

Whoever succeeds Mr. Suharto will have only a fraction of his authority and will need to accommodate — not just manipulate — various business interests (indigenous and Chinese) and religious and civilian political forces.

The endgame is as much about the positioning of interest groups as it is about personalities: how to reconcile a plural society with a closed political system, how to create a civilian government that has the confidence of the military, how to balance wealth creation and distribution, and how to reduce the links between political power and enrichment. While there is a strong mainstream instinct for tolerance, mob violence is a danger if elite rivals try to use it for their own ends.

So, while worrying about life without Mr. Suharto, many Indonesians wish aloud that securing his legacy to the nation was now his priority. That means building impersonal institutions and enhancing the rule of law.

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Immortal Chief

MANILA — At the court-martial of Dr. Rizal, the organizer of the rebellion in the Philippines, the prisoner denied his leadership, but admitted his authorship of the statutes of the Philippine Island League. The prosecutor proved that the prisoner was in constant rapport with the chiefs of the insurgents and he was sentenced to be shot. The natives have a superstitious reverence for Dr. Rizal, who is believed to be possessed of the "aitingaing," a quality which gives immunity from death. Other leaders will be tried shortly.

1921: German Klan

BERLIN — A German variety of armed Ku Klux Klan has been discovered in a secret organisation supposedly headed by Captain Erhardt, whose troops occupied Berlin at the time of the Kapp uprising. Thirty alleged members were arrested by the French occupation authorities at Düsseldorf. The organisation embraces 16,000 men, and is bound together in all parts of Germany by an underground network. They have taken the strongest oaths of loyalty and are sworn to punishment by death in case of a betrayal of secrets.

1946: Irgun Threat

JERUSALEM — The Jewish terrorist organization, Irgun Zvai Leumi (National Military Organization), proclaimed its intention of resuming "military attacks against the British." Demanding an end to the "cursed truce" observed by the illegal defense organization, Haganah, during the last Zionist Congress at Basel, the extremists said the continued lull in the terror could only mean that the Basel resolutions were nothing more than tactical camouflage to a policy of capitulation.

Rebels Said to Threaten A Legislator They Hold

Peru's Congress Hears Report on Hostages

By Gabriel Escobar
Washington Post Service

LIMA — Members of President Alberto Fujimori's party, at a closed session Friday of Peru's Congress, reported that one of the key legislators held hostage here has been threatened by rebels of the Tupac Amaru Revolutionary Movement because of his controversial legislative past.

The treatment of Gilberto Siura Cespedes, president of the defense committee, was one of the few subjects dealt with explicitly in Friday's closed session, according to an opposition congressman in attendance who spoke on the condition of anonymity.

Among the 103 hostages still held, Mr. Siura belongs to a select group that holds particular interest for Tupac Amaru rebels. Mr. Siura was a key legislator in this year's pardon of military commanders convicted for their role in a massacre, and that apparently has earned him special treatment at the hands of the rebels.

At the closed-door meeting conducted by the president of the Congress, Victor Joy Way, congressmen were told that Mr. Siura was not being held with the four other legislators who are also hostages but instead was being kept with 25 military and police personnel, according to the congressman.

From the beginning of the crisis Dec. 17, concern over the well-being of these "uniformed" hostages has been especially acute because of the sensitive nature of their jobs. Those attending Friday's session were told that there was special concern over Mr. Siura's safety because a weapon had been waved in front of his face on more than one occasion.

The International Committee of the Red Cross, which is acting as an intermediary in the siege, said its policy was not to discuss the possible mistreatment of those who are detained.

Pressed to comment by the media here on reports of "psychological torture," a Red Cross spokesman, Roland Bigler, replied: "The emotional situation of the hostages is satisfactory."

After Friday's session, Mr. Joy Way said during brief comments to reporters that the Congress had overwhelmingly approved a statement backing Mr. Fujimori and again urged a "peaceful" solution to the crisis.

The Group of Seven leading industrialized nations, responding to requests for a formal position on the 10-day siege in Lima, said Friday that they supported Peru's efforts to resolve the matter peacefully while "recognizing that the saving of lives is of primary importance."

Ambassadors to Peru for the member countries relayed the stand, a U.S. official here said, ahead of its release by France, which holds the G-7 rotating presidency.

Peter Olivares/Reuters

Jose Maria Argueta, Guatemala's envoy to Peru, left, being accompanied by Michel Minnig of the Red Cross after guerrillas released him.

PLOT: *The IRA Killer Who Saved a Prince*

Continued from Page 1

conned by the smooth presentations," said Mr. O'Callaghan, a former member of the Sinn Fein executive council.

Mr. O'Callaghan was released from prison on Dec. 6 under a rarely used procedure that requires approval of the queen. The timing was critical for the British government, because it introduced into the debate an insider who is forcefully making the same argument put forward by Prime Minister John Major.

Although he helped imprison some 50 IRA operatives and confiscate millions of dollars worth of weapons, Mr. O'Callaghan said he was not overly concerned about his personal safety "in the short term."

He may be banking on the notion that maintaining a high profile is his best protection, that killing a public figure would not be in the best interests of a group seeking admission to peace talks.

Mr. Major believes the 18-month IRA cease-fire that ended with the bombing of a London office building in February was a ruse through which the organization gained political standing while it retooled its terrorist apparatus. He has rejected conditions set by Mr. Adams and John Hume, the mainstream Roman Catholic leader in Northern Ireland, for Sein Fein's participation in peace talks, demanding that the IRA provide evidence of a "lasting cease-fire." Mr. Adams and Mr. Hume argue that Mr. Major is sabotaging their effort to rebuild the peace process and that a "precious moment" is passing.

Enter Mr. O'Callaghan, who over the past two weeks has voiced shame at what he did for the IRA and urged Britons not to believe the pacific claims of Sinn Fein. He has testified before the Commons, given radio interviews and written articles for The Sunday Times, the newspaper that first made his double life public in 1992.

Mr. Hume, who has staked his public career on establishing all-party talks on the future of Northern Ireland, has reacted to Mr. O'Callaghan with fury. Mr. O'Callaghan said he had accepted no arrangements and no money for his present actions. He said that the British government offered him its normal witness protection program — a new identity, a $75,000 house, nine months' police protection and a job — but he turned it down.

A sad-eyed man who looks older than his 42 years, Mr. O'Callaghan was born into a home in Tralee, County Kerry, run by a father who was an IRA member.

He said he became impassioned for the cause in the late 1960s after seeing television footage of the troubles in Northern Ireland and meeting Catholic refugees burned out of their homes in Belfast. When representatives of the militant Provos, the Provisional IRA, came around looking for recruits in 1969, Mr. O'Callaghan was ready.

A country boy of 15, he became an explosives and firearms instructor at weekend camps in the hills around Tralee. One Sunday afternoon in a shed behind his house he dropped some sulfuric acid into an explosive slurry he was mixing, and the blast blew him out the back door.

He was jailed for six months for possession of explosives. On his release he was put in charge of a bomb factory in the South where he was responsible for turning out ammonium nitrate distilled from boiling fertilizer in oil drums.

In May 1974 he was sent to the "hard edge" in Northern Ireland and on his first night took charge of the mortars in a Provo assault on an Ulster Defense Regiment barracks. An officer, Eva Martin, 28, died in the attack. At age 19, Mr. O'Callaghan was a killer.

Through the summer he took part in robberies and bombings, and in August he was ordered to commit a face-to-face killing. Peter Flanagan was a detective inspector with the Royal Ulster Constabulary special branch, and the IRA had established that he went each day to a pub in Omagh, a town in County Tyrone, Northern Ireland. He was reading the racing pages of The Irish Independent when Mr. O'Callaghan drew his short-barreled Magnum and shot him eight times.

Mr. O'Callaghan said that about this time he began to worry about the sectarian, "tribal" nature of the struggle. "I wanted to throw out the British and unite Ireland. They just wanted to kill Protestants."

He said he thought this bigotry was "just local and low level," but in April 1975 he encountered evidence of it in the leadership. He was in an IRA safehouse with eight Provos, including Kevin McKenna, then the second-in-command of the organization. Word came that a woman who was a Protestant police reservist had been killed in an IRA attack. According to Mr. O'Callaghan, Mr. McKenna turned to the group and said, "I hope she was pregnant and we got two Prods for the price of one."

Mr. O'Callaghan marks that incident as the moment he decided to leave the organization. He went to England, set up a cleaning business in North London and married a Scottish Protestant woman.

But he returned to Tralee in 1979, formally rejoined the IRA and simultaneously told a man he trusted from the Irish police force that he wanted to inform on his comrades.

Over the next three years he delivered information to the Irish police as he rose into the command structure of the IRA in Ireland. In 1982 he was assigned to the "England Department," which was run from Dublin, and put in charge of the proposed assassination of the Prince and Princess of Wales. Just three years earlier, the IRA had killed Earl Mountbatten, Prince Charles's uncle.

After discovering that the prince and princess would attend the rock concert on July 20, 1983, Mr. O'Callaghan arranged for shipments of explosives and detonators and went to London to supervise the planning. As the date got closer, he told his Irish police handlers and MI5 officials that he needed an artful way to sabotage the effort without compromising his cover.

Under the plan, Scotland Yard leaked a story to the London newspapers that it was hunting for Mr. O'Callaghan in connection with a plot to assassinate a member of Margaret Thatcher's government.

Mr. O'Callaghan had already slipped out of England for France when the stories appeared. It was too late for a substitute bomber to be put in place. When Mr. O'Callaghan returned to Ireland, the IRA chiefs congratulated him for eluding the police.

Mr. O'Callaghan became a local councilman for Sinn Fein and in 1985 was named to its national executive council. He had kept feeding information to the Irish police during this period.

By November 1985 he decided that he could not safely pull off the deception much longer and so he flew from Cork to London. There he was debriefed by an MI5 agent, who told him he could not obtain a pardon for him despite his work for the British government. In 1988 he walked into a police station in southern England and admitted his crimes.

RUSSIA: *Its Newly Emerged Middle Class Makes Moscow an Island of Prosperity*

Continued from Page 1

on display on the streets of the capital and in other cities.

To be sure, Moscow is a city of cancerous petty corruption, gangland gunplay and cozy networks of big business clans and their insider government protectors who suck millions from the economy at no risk of prosecution.

But despite all that, nowhere else in Russia are so many people doing so well. Nowhere else has a critical mass of vibrant small businesses taken root. Nowhere else have the laid-off and ill-paid workers at bankrupt old plants been able to find work in new businesses so easily. And nowhere else are the makings of an authentic post-Soviet middle class — at least a million-strong in this city of 10 million and growing fast — so in evidence.

Official statistics show that Moscow has by far the highest income of any area in the country, but economists say the numbers are unreliable, because Russians routinely hide the true extent of their income. More revealing are ownership and consumption patterns in Moscow and the provinces, which paint a clear picture of the city's greater prosperity. For example, about 7 percent of Russia's population lives in Moscow. But in the first nine months of this year, the city accounted for 20 percent of all the privatized enterprises in Russia.

Ford Motor Co. says nearly half of all the Russians who can afford its cars live in Moscow. Eighty percent of the advertising on nationwide television originates in Moscow — so much that the large advertising firms have not even bothered to open branch offices outside the capital.

Muscovites are twice as likely as urban Russians as a whole to have traveled abroad this year, according to Romir/Gallup Media, a survey research firm. They are more than twice as likely to own a telephone, a personal computer, a microwave oven or a credit card.

As Moscow's economy takes off, it is drawing away from the rest of Russia. So concentrated are new banks, ready cash and foreign investors in the Russian capital that even St. Petersburg, Russia's second city, seems a sleepy backwater by comparison.

This distortion in Russia's economy is worrying some economists and sociologists. While Moscow's living standards and access to consumer baubles were always higher than in the rest of the country during the Soviet era, the disparity today is growing much larger. As Russia becomes a society of haves and have-nots, Moscow is increasingly home to the haves. That gap is reinforcing a centuries-old sense of separation in Russia between the rulers and the ruled.

The divide between Moscow and the provinces also is undercutting support for the reforms that economists believe Russia still badly needs to create a stable free market, such as new tax measures and more aggressive action to shut down inefficient state factories that once formed part of the Soviet military-industrial complex.

As Moscow becomes an island of prosperity, voters elsewhere are becoming disenchanted with the promised rewards of capitalism and with President Boris Yeltsin's reform program. In gubernatorial elections this fall, Mr. Yeltsin's opponents did surprisingly well, and may form a sufficiently powerful force to slow or block further restructuring of the economy.

"Moscow is something like a different country in relation to the rest of Russia," said Yuri Levada, director of the Russian Center for Public Opinion and Market Research. "It is far ahead in terms of the structure of its economy, public opinion, arts, resources. It's ahead by 10 or 20 years, maybe more."

The questions now, economists say, are: What conditions are necessary to spur growth in other parts of Russia, and how long will it take?

It was not just clever management, good connections or abundant energy that helped Mr. Gruzdev make his retail business, Seventh Continent, a success. He picked the right market.

Mr. Gruzdev, 29, pleasant and baby-faced, started Seventh Continent in 1993, with brisk sales of electronics and groceries producing modest sales of $5 million. This year his firm has ballooned into a $60 million business with 1,200 employees and a modern headquarters upstairs from its latest venture: a handsome new department store. Mr. Gruzdev predicts sales will double again next year, to $125 million.

Meanwhile, Giant Vladivostok, as the huge Russian-American supermarket and food warehouse is known, is built and could one day be viable, according to its American backers, who bid farewell to Mr. Schindler a year ago. More than $20 million has been invested in the project, including $9 million in U.S. government grants.

But the Americans acknowledge that they ran into problems by their very decision not to do business in Moscow. A key American investor refused point-blank to travel so far outside the capital to meet the Russian partners in Vladivostok, thereby scotching the final stage of financing. Building a supermarket from scratch in Vladivostok cost them time and ran way over budget. They realized later that had they launched the business in Moscow, they might have been able to move into an existing building.

Those are precisely the headaches Mr. Gruzdev wished to avoid. Not for a moment has he considered branching out beyond Moscow's beltway. He won't even consider Nizhny Novgorod, the country's third-largest city. For starters, Mr. Gruzdev said, it lacks warehouse space. Most days, only one flight connects the two cities. Nizhny doesn't even have a first-rate hotel.

"Sure, we could open a good shop in Nizhny Novgorod," he said. "But why make things riskier for ourselves? And what could we sell them? People there just don't have the money they do in Moscow, so our markups would have to be tiny."

Other businesses see Moscow the same way. McDonald's, which is about to open its 10th restaurant in the capital, plans to double the number of outlets in Moscow next year and may have 40 or more in 1998 — while all but ignoring the rest of the country. "The volume in our Moscow restaurants is higher than anywhere else in the world," said George Cohon, senior chairman of McDonald's in Canada, which oversees the Russia operation.

How many more McDonald's restaurants could Moscow absorb? Mr. Cohon answered instantly: "Hundreds and hundreds."

Moscow is a place where real business is being done. The practice of taking prodigious amounts of sick leave, once a staple of Communist-era offices, is less in vogue now than ever. The cynical Soviet adage — "We pretend to work and they pretend to pay us" — has nearly faded from popular usage.

Moscow's swelling middle class has made the city seem more than ever a place apart from the rest of Russia — and a much happier place at that. About 40 percent of Russians say that life in the country has become unbearable, while in Moscow only one-quarter feel that way.

While millions of Russian workers at state-owned enterprises must wait months for their salaries, late wages are comparatively rare in Moscow. So is unemployment; the vast majority of Muscovites who want a job can find one.

Politically, voters in the capital are by far the most reform-oriented and anti-Communist in Russia, consistently backing Mr. Yeltsin. When Mr. Yeltsin underwent his heart bypass operation this fall, nearly half of Muscovites said they were worried about his health. Only one in five of all Russians was similarly concerned.

BELGRADE: *Opposition Wins Support*

Continued from Page 1

trolled media indicated earlier that Mr. Milosevic would ignore the advice of the Gonzalez mission if it issued an unfavorable ruling. The pro-government newspaper Politika ran a front-page interview with a Milosevic aide, Nikola Sainovic, describing the election controversy as an "internal affair" that had to be resolved within the framework of Yugoslavia's institutions.

Mr. Gonzalez announced the results of his mission at a news conference in Geneva, at which he called on the Organization for Security and Cooperation in Europe to issue an "urgent appeal" to all political forces in Yugoslavia to accept the results of the local elections.

He said that Mr. Milosevic's Socialist Party of Serbia had won a majority of votes in those elections but that the opposition coalition had won individual polls in nine Belgrade municipalities and 13 other towns, including Nis, Kraljevo, Uzice, Sebac and Kragujevac.

■ U.S. Applauds the Finding

The United States on Friday welcomed the confirmation of the opposition victories over Serbia's ruling Socialist party, Reuters reported from Washington.

"The U.S. applauds the work of former Prime Minister Gonzalez," the State Department said.

A department spokesman said the conclusions "match our own — that the results of the Nov. 17 elections must be respected, that an open and constructive dialogue between the Milosevic government and the opposition must take place and that Serbia must honor its international commitments and move toward democracy before it can be accepted fully into the international community."

FRANCE: *Chirac Ends 5-Year Participation in Allied Air Operations Over Northern Iraq*

Continued from Page 1

and Syrian-supported Hezbollah guerrillas on Lebanese territory.

Mr. Christopher's pique, shared by his closest aides, flared again early this month in Brussels during a NATO foreign ministers' meeting, his last as Secretary of State, when he thought Mr. de Charette had deliberately walked out during farewell remarks by NATO's secretary general, Javier Solana Madariaga.

NATO and French officials denied an intentional snub, but the Americans were in a feisty mood because of French insistence on making an important NATO command in Naples, one always previously held by an American admiral, into a European-held post in a sweeping post-Cold War reorganization of the alliance. The United States, whose Sixth Fleet is based in Naples, has refused.

Mr. Chirac and President Bill Clinton, whose personal relations have been warm up to now despite the frictions around them, may end up having to try to settle that dispute themselves at a NATO summit meeting in Madrid next July.

France also tried unsuccessfully this month to keep the United States from forcing out Boutros Boutros Ghali as the UN secretary-general. The French announcement Friday said that there were other ways of providing aid to the Kurds in northern Iraq — through international organizations. Paris joined the air operation in 1991, when hundreds of thousands of separatist Kurds were fleeing the Middle East before the Gulf War. A French oil company, Elf Aquitaine SA, was one of the first to arrive in Baghdad this month after Iraq agreed to a UN agreement for Baghdad to sell $2 billion in oil over six months to pay for food and medicine.

Increasing French fractiousness toward the United States is not limited to the Middle East, though a lot of it began there last spring when the French foreign minister, Herve de Charette, bird-dogged U.S. Secretary of State Warren Christopher, to his intense annoyance, while he was trying to negotiate an agreement to prevent clashes between Israeli forces north from attacking Iraqi forces and the allies were enforcing a UN ban on Iraqi warplanes over the region.

But when war broke out between the two main Kurdish factions at the end of the summer — and one of them called in Iraqi troops to help — French officials began wondering whether the allies had any business any more trying to keep them out.

When Mr. Clinton ordered U.S. cruise missile strikes against Iraqi air defense targets in retaliation for its troop move in September, Paris made clear that it did not approve, and did not go along with an extension of allied air patrols from the 32d to the 33d parallel in a separate zone banning Iraqi flights over southern Iraq.

KOREA: *Union Chief Vows 'No Backdown'*

Continued from Page 1

group would "fight to bring down the Kim Young Sam government." Labor sees the new laws as an unholy pact between the government and the nation's largest employers.

Mr. Kwon's group was to have become legal next year. Under the new law, that will be delayed until 2000, when the ban on multiple unions at work sites will be lifted.

Mr. Kwon's group was backed up by the only legal federation of unions, the Federation of Korea Trade Unions, which represents 1.2 million workers. That group extended Friday's planned one-day strike through at least Dec. 31. The federation has traditionally been more moderate and willing to cooperate with the government, so its tough stance now is seen as particularly bad news for the government.

Mr. Kim's aides tempered their tough talk with a promise to introduce further legislation that would improve the living standards and working conditions for unionized laborers. Deputy Prime Minister Han, who is also the finance minister, said after an emergency ministers' meeting that the government's proposed legislation would improve vocational training for workers, offer skilled workers greater opportunities and stabilize salaries.

The reason for the government's eagerness to settle the strikes was evident in their financial impact.

The potentially huge losses struck fear into the Korea Stock Exchange, where the composite index dropped 7.79 points, or 1.2 percent, to 651.22, its lowest since March 16, 1993, Agence France-Presse reported.

The nation's export-led economy is expected to post a $20 billion trade deficit this year, twice last year's level. A shutdown of the vital auto and ship exporting sectors, plus an uncertain future of management-labor relations, is expected to worsen those figures.

South Korean news reports said that strikes at auto plants would cost $150 million to $160 million in lost profits if the work stoppage continued through the end of the year.

Mr. Kim's government has argued that the new labor laws were necessary to bring South Korea in line with global standards, including those of the Organization for Economic Cooperation and Development, which South Korea joined this month.

The Korea Employers Federation attempted Friday to reassure workers that the new laws' provisions for lay-offs and hiring replacement workers during strikes would be used only if companies were in "extreme difficulties." It urged workers to return to their jobs "because companies are suffering and the economy is not doing well."

In Thursday's clandestine parliamentary session, governing-party legislators passed another controversial law to expand the powers of the Agency for National Security Planning, which was used to suppress political opposition leaders during the military dictatorships that ruled the nation from the 1960s through the late 1980s.

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Altered States: How the Manchus Changed the Face of China

Musee du Petit Palais

Giuseppe Castiglione's portrait of Emperor Qianlong reviewing the troops.

International Herald Tribune

PARIS — It was a great idea to tell the extraordinary story of the emperors who ruled China from 1644 to 1911 through the objects that surrounded them in the Forbidden City.

But in bringing over to the Petit Palais all the way from Beijing this extravagant pageant of gaudy imperial costumes, heavily decorated porcelain vessels, and paintings that at times provide a Hollywoodian vision of Chinese art, the organizers of "La Cite Interdite" tell us an even more gripping story, albeit unintentionally. The takeover of China and its ancient urban civilization by a tiny nation from the northeastern steppe, the Manchus, is extravagant enough, but its consequence was even more mind-boggling. It altered beyond repair the face of Chinese culture.

In one of the essays in the catalogue that make it a most remarkable introduction to late Chinese history, Pierre-Etienne Will analyzes the peculiar conception of world order developed by the Manchu rulers.

So alien did they feel to China that they called the Inner City with its palaces and shrines "The Inside." The rest, from the ramparts as far as the remotest corners of the empire, was "The Outside." In daily life as in the exercise of power, the Qing emperors and their clansmen were reminded of this division at every level. Manchu, which does not belong to the same linguistic family as Chinese in its many forms, was the language spoken by the ruling house. It was an effective if invisible rampart used to protect classified military information or secret correspondence between the emperor and his trusted agents.

From their youngest age, Manchu princes were taught Manchu, Mongol and Chinese letters. This had far-reaching psychological consequences: While Chinese education was monolithic, theirs drew on three vastly different cultures. Retaining a fierce sense of their identity, the Manchus looked at China from a distance. Emperor Qianlong or, to give him his Manchu name, Abkai Wehiyehe, expressed his conviction of the Manchus' superiority — they made better civil servants, were more austere in their lifestyle, worked harder.

The Manchus left their imprint on every aspect of court life. The imperial costume was redesigned. It was made tighter to look less effeminate and slits were added to the sides. Dragons were given greater prominence within the decorative patterns, in what was probably a conscious throwback to the Mongol dynasty of the Yuan (1279-1368). The mythical animals loom large on imperial robes as they do on thrones.

Manchu singularity extended beyond court customs to the innermost aspects of religious life. Shamanistic rites, of which the details were written down in Manchu in 1747 by order of Qianlong, were performed daily. These could include animal

SOUREN MELIKIAN

sacrifices and, on one special occasion, a "dance to the spirits" was performed by a female shaman dressed in a dragon robe and a magical cap.

In another display of their compartmentalized culture, the Manchus also fervently adhered to Buddhism. Like the Mongols, they gave preference to its Tibetan forms. Qianlong says in his autobiography that he was initiated to Tibetan Tantrism by a Mongol master who had been a school friend.

Many Buddhist shrines were restored or built, some with characteristic features of Tibetan temple architecture. In the Pavilion of Showering Flowers, the four levels symbolized the "four successive levels" of initiation in Tibetan Tantrism. Printed editions of the Tibetan and Mongol canon came out in Beijing, turning the Chinese capital into a major Buddhist center, Natasha Stupar notes.

As if they were determined to drive home the distance that separated them from the Chinese, the Manchus made it mandatory for the latter to have their heads shaved except for a single tress falling in the back. To have that tress cut off was a manifestation of open rebellion against Manchu authority — and, indeed, several spontaneous revolts broke out among the Chinese population against this quasi-foreign occupation, made worse by a totalitarianism that exceeded anything seen under the previous Ming dynasty.

History was rewritten. In the huge "Encyclopedia of the Four Treasures," published between 1772 and 1782 with the proclaimed intention of restoring the Chinese literary heritage (the finest scholars of the age were called upon to take part), the dynasties founded by foreign invaders like the Turkic Khitans and the Mongols were legitimized.

At court, the atmosphere was one of silent terror. In keeping with the "Rules for Palace Use" decreed in 1742 by Qianlong, those admitted to the presence of the emperor or his spouses had to kneel, head bent. If they walked, they were not to move their heads. If they laughed they had to keep their lips closed.

Curiously, with all its tyranny and aggressive sense of Manchu identity, the dynasty saw itself as the upholder of Chinese tradition. The trend toward revivalism in art was more marked than ever before. A musical bell of the 18th century with three tiers of projecting knobs looks like a gilt spoof of a bell from the 7th or 6th century B.C.

At the same time, the Manchu emperors encouraged foreign fashions on a massive scale. I would suggest that they djd so because, although steeped in Chinese culture, they did not really belong to it. The Jesuits were welcomed. Giuseppe Castiglione, who arrived in 1715 and mastered the Chinese art of painting, worked at court under the name Lang Shining. In his equestrian portrait of Qianlong, the emperor mounted on his steed fills the space in Western fashion under a pale blue sky with clouds lightly touched by the sun.

Landscapes in mother of pearl and ivory on a black lacquer ground framed in carved red lacquer were made to hang on the palace walls, a purely European idea. Screens in painted enamels, with a light relief depicting European women with Chinese faces in fancy architecture of would-be Western inspiration, were executed, probably in Guangzhou, where other enamels were produced for export to Europe. This was chinoiserie for China. Porcelain vases that borrowed their deep blue ground with gold patterns from the Vincennes workshop, found their way into the palace.

IN a so-called double vase, which seems to merge two shapes into one, a motley pink ground frames the main area painted with sweet-faced children. The overall effect of the decor in "foreign colors," as the Chinese called them, has an ice cream parlor vulgarity matching the worst of the French Pompadour art that inspired it.

Fussy ormolu clocks, some with automata, fascinated the Manchu emperors and their court. European design invaded Chinese art. On a pair of enameled bowls from Guangzhou offered to Qianlong in 1745, rococo scrolls associated with Chinese motifs frame the figural scenes. The perspective in these, and the rendition of a tree, betray the formidable impact of Western painting.

The Eastern invaders had thrown wide open the doors of China to an invasion of decadent Western aesthetics. The Chinese literati loathed both. In retrospect, one can only sympathize.

Taking the Long View

An Artist Who Squandered His Gifts

By Roderick Conway Morris
International Herald Tribune

ROME — Caravaggio and Domenichino were almost contemporaries, although the latter long outlived the former — unsurprisingly given Caravaggio's overheated, self-destructive lifestyle. Both won fame in the first years of the 17th century in Rome, yet they now seem scarcely to have inhabited the same artistic universe.

Emblematically, perhaps, Caravaggio was notorious for painting directly on the canvas without any preliminaries but a few bold strokes or scorings, while Domenichino's multiple preparatory drawings now seem more spontaneous and vital than any of his completed oils or frescoes. And an unprecedentedly extensive exhibition of Domenichino's oeuvre (accompanied by a nearly 600-page catalogue), at the Palazzo Venezia until Jan. 14, offers many instructive clues as to why, in the long view, Caravaggio succeeded and Domenichino failed.

Born in Bologna in 1581, Domenichino entered the Carracci Academy, the private art school that trained most of the leading local painters of that era and provided a reliable road to preferment and lucrative commissions in Rome. The Carracci style was such that there is still confusion as to which teachers and pupils did what. Nonetheless, looking at the absorbing drawings in the show, the bulk of them from the Royal Collection at Windsor Castle, and some of the early portraits — not to mention the frescoes in the Sant'Andrea della Valle and San Luigi dei Francesi churches, just a few minutes' walk from Palazzo Venezia — it is impossible to doubt that Domenichino was endowed with considerable individual talent. And yet, as the exhibition reveals, he could also paint very badly indeed.

A startling demonstration of this is the three versions on display of the "Cumaean Sybil," one of Domenichino's most famous images. The first, from the Borghese Gallery (dated 1616-17), is a superbly executed painting. The two later versions, done in the 1620s, are palid, convictionless imitations. Caravaggio, too, particularly in view of the demands of his prodigal existence, was perfectly capable of copying his own work — but attacked each variation anew rather than producing an etiolated self-parody. Similarly, while Caravaggio saw in every ecclesiastical commission an opportunity to delve into the human aspects of the Christian story, Domenichino seems to have been such a dogged purveyor of the minutiae of current Counter-Reformation dogma, that many of his scenes have since almost entirely lost their impact.

The overwhelming impression of the exhibition is that Domenichino was so much the pliant conformist and, apparently, so susceptible to fashionable, quasi-scientific, but entirely fanciful contemporary theories on art (which did nothing to improve the quality of his works) that he ultimately squandered his natural gifts.

Domenichino's first "Cumaean Sybil," 1616-17.

CLEAVING to his principles through thick and thin, Caravaggio, meanwhile, often had works rejected by the religious institutions that commissioned them because of their excessive realism and "indecorum" (but they were eagerly snapped up by private buyers, including senior figures in the church): The reason that a painting like Caravaggio's "Death of the Virgin" at the Louvre or his "Portrait of the Knight of Malta" in Florence can still stop us in our tracks, but even Domenichino's most carefully constructed compositions seem so remote, and that, though Poussin admired Domenichino, it was in Caravaggio that Rubens and Rembrandt found inspiration.

More modest in their ambitions but more appealing to modern tastes are the more than 80 pictures in the enjoyable loan exhibition "Lost Landscapes: Granet in Rome, 1802-1824," at the American Academy until Jan. 12. François-Marius Granet (1775-1851) was a pupil of David and friend of Ingres, who painted a striking portrait, also in the show, of his fellow artist, bright-eyed and swathed in a black velvet cloak, sketchbook in hand, against a thunderous sky and a view over the Roman rooftops to the Quirinal Palace.

Granet made a successful career as a painter of large-scale Salon canvases on historical and religious themes and ended his days as the curator of the Versailles Museum. The works in this exhibition, however, are some of the numerous sketches he did during his extended stay in Rome, many of them in oil on paper (and subsequently mounted on canvas). Granet left them to the museum named after him in his birthplace, Aix-en-Provence, where they have normally been kept in store.

What makes these pictures so attractive is partly that many of them are not of obvious, major monuments or vistas, but of out-of-the way, forgotten, but highly atmospheric places.

Noblesse Oblige in Rome

Family Turns Its Gallery Into a Business

By Celestine Bohlen
New York Times Service

ROME — Back in the good old days, a few centuries back, the Doria Pamphili family — one of the most august of Rome's princely lineages — thought nothing of throwing parties.

When an Austrian grand duke came to town in 1760, they turned the courtyard of their Renaissance palace on the Via del Corso into a ballroom, complete with a wooden dance floor and a decorated canvas ceiling.

The other night, when Prince Rainier III of Monaco, one of the few crowned heads left in Europe, came through Rome, the party — a staid sit-down dinner for 600 — was also at Palazzo Doria Pamphili.

But the bill, including a fee for renting the premises, was picked up by Fendi, the Italian fashion house.

Such are the choices faced these days by a family that still owns palaces in Rome and Genoa, several large country estates and one of the most important private art collections in Europe, with works by Caravaggio, Titian and Raphael and a portrait by Velazquez of Pope Innocent X, the family's 17th-century papal relative.

Renting out rooms for parties has been one way to defray the cost of maintaining the collection, about 600 paintings and 100 other objects, and to keep it open to the public, which the Doria Pamphili family had been doing for decades, four days a week, from 10 A.M. to 1 P.M.

Even that modest effort was a testament to the family's dedication to the idea that its treasures are somehow held in public trust, not a common notion among the Roman nobility and, some say, attributable to the Doria Pamphilis' habit of marrying into English families, many of whom have a different view of noblesse oblige.

Claudio Martinez/The New York Times

Jonathan Doria Pamphili, his sister and her husband.

Princess Orietta, 74, who is the doyenne of the family and who herself married an Englishman, has taken such Anglo-Saxon traditions most to heart.

To this day, she often leads tours through the gallery, wearing sensible rubber-soled shoes. Her son remembers when she even showed private bedrooms to particularly eager visitors.

A CRITICAL moment for the family's fortunes, and for the art world, came several years ago when the younger generation — a son, Jonathan, now 33, a daughter, Gesine, now 32, and Gesine's husband — sat down with Princess Orietta to discuss closing the gallery to the public.

At the time it was costing them $66,000 a year.

"We were the reasonable ones," said the husband of Gesine, Massimiliano Floridi, who is now the administrator of the gallery.

"But Mummy was adamant," said Jonathan Doria Pamphili, who grew up speaking English at home and was educated at East Anglia University. "She wouldn't hear of it."

Not surprisingly, it was the princess's will that prevailed, and the gallery remained open, but this time on the younger generation's terms: It had to break even. That meant running it like a business, which, for a Roman museum, amounted to something of a revolution.

First, the palace itself had to be brought into compliance with building and safety codes, a costly undertaking done in the end with the help of the Italian government.

Renovations were undertaken, pictures were re-hung (in a way faithful to their arrangement in the 18th century), about 100 pictures were brought out of storage, modern lighting was installed and new rooms were put on display.

The palazzo's old grand entrance onto Piazza del Collegio Romano was opened up for visitors and a bookstore was stocked with postcards, books and reproductions.

Opening hours were extended to six days a week (with Thursdays off), from 10 A.M. to 5 P.M.

To obtain outside financial help, the family lent 12 of its greatest masterpieces for a tour this year that went from London to Washington and finally Milan.

The Velazquez went on by itself to the Prado in Madrid, to resounding success.

In the end, the renovations were completed in a record two-year period without the gallery itself having to shut its doors (except briefly last August), in marked contrast to the laggardly pace of restoration at state-run museums like the Borghese Gallery in Rome, closed for restoration for more than a decade now.

Before the changes, the Doria Pamphili Gallery welcomed 17,000 visitors a year. On a recent weekend, visitors streamed through at the rate of 2,000 a day.

To break even, the family figures it needs to reach 50,000 visitors a year — not an overly ambitious goal, considering that 100,000 people went to the National Gallery in London earlier this year to see the collection's top masterpieces.

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BUSINESS/FINANCE

SATURDAY-SUNDAY, DECEMBER 28-29, 1996

Cyberbuffs' Fantasy Turns Real In New York

By Douglas Martin
New York Times Service

NEW YORK — I'm an Alpine ski racer slicing down a mountainside at 70 miles an hour. A tree approaches; I dig in on my downhill ski and try with all my strength to execute a sharp turn. Will I make it?

I'm a motorcycle racer roaring along a curvy seaside course at 120 miles an hour, veering toward a stone wall. Can I maneuver back on course?

I'm clinging to a hang glider at night trying to navigate between the gleaming skyscrapers of a big city, and suddenly one looms directly in front of me. Is there time?

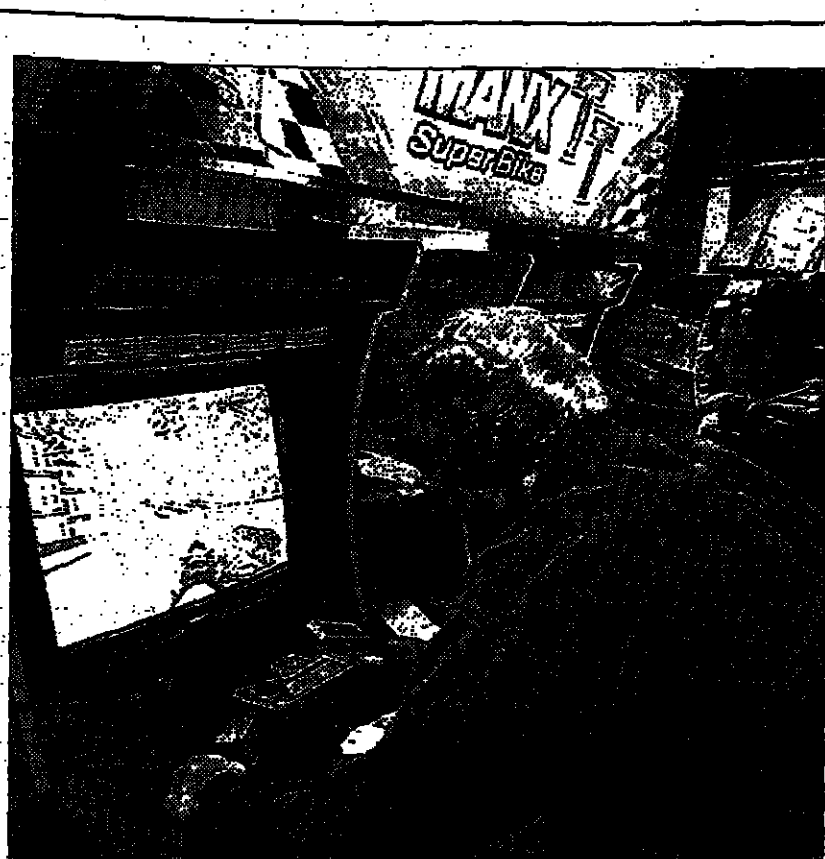
Not a chance. I'm splattered against the tree, smeared against the wall and taking the building square in the face. In each case, there is the sickening slam of impact, and I'm racing helplessly toward the next wallop, scared witless and feeling clueless. Is this is as good as it gets? Am I having fun yet?

At least there's no pain. Welcome to the world of virtual reality, as offered by XS New York, a new place that is part cybercafé, part nightclub, part arcade, all wrapped in cyberglitz. The idea is to capture the 20- and 30-somethings weaned on Nintendo and let them not only hone their gamesmanship, but also compete for prizes in the latest video games, with jackpots like $7,000 Jet Skis.

Patrons not lucky enough to be behind the joystick of a computer game will be encouraged to cheer the cyber-athletes who are. A sports announcer will provide commentary. A cyberjock will spin the disks.

You can sit by yourself and surf the Net or go down to the basement and volunteer for the laser tag league. Plans are to have a separate division for police officers.

This XS Oz will open only gradually, "a soft opening" in the words of Terry Lee Torok, the creative director. Not until March will the "world's largest" laser tag arena open for play, but most of the machines will be installed by this weekend. For sure, the place will be ready for New Year's Eve.



Fred R. Conrad/The New York Times

A man taking a virtual ride at XS New York, a new high-tech attraction.

Normally, entrance will be free of charge, with a $6 bill for a virtual-reality ride of three minutes. But instead of coming up with it in coins, a debit card will be issued.

XS, named for excess, will offer what it promises are the world's most excessive desserts. It also offers 100 different beers, with 3,682 more available through Internet suppliers for those willing to wait a day or two for shipment. An arena for magicians to perform cyberillusions is being readied. Snacks include shrimp megabytes and power fries. The costliest coffee is called XSjava XSpress.

XS New York uses the same number of gigabytes that are used in the space shuttle: 372.

Speeds of 741 miles an hour (1190 kilometers an hour) can be reached in the Canyon Runner flight simulator. There will be 25,000 daily kills in Laser Tag. In Tokyo Wars, 725 sushi restaurants can be destroyed.

XS is part of a wave of more or less high-tech attractions popping up all over New York City. Skyline Entertainment Inc., the owner of XS, also operates New York Skyride in the Empire State Building. This uses flight simulation gear to give a theater audience a rollicking seven-minute tour of the city.

XS is the first, however, to offer what it calls a virtual-reality environment, where games allow you to feel you are somewhere doing something intensely exciting, when in real reality you are simply using a little electricity and continually handing over your money.

Such games are a $15-billion industry. XS is striving to bring them into a common arena and offer the very latest by such suppliers as Microsoft, Intel, Virtuality, Sony and Namco.

Some of the games include artificial-intelligence components that allow them to alter strategy based on how they remember past games or earlier parts of the same ones. "They learn your moves, so they can use them against you," Mr. Torok, the creative director, explained.

But he added that "people are the stars, not the games," even if 32 computers, all connected to the Internet, give the appearance of so many corporate work stations.

In other ways, the place is intended to look and feel like a nightclub. Dance music will be played and light shows staged continuously. It is possible that people will chat and exchange telephone numbers, some real. And by the way, after 10 P.M., no one under 18 will be admitted.

Japan's Outlook Depresses Yen

Dollar Benefits as Investors Buy Up U.S. Assets

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose Friday to its highest levels against the yen in almost four years, holding firm above 115 yen on the prospect that weak Japanese stock prices could set off an extended capital outflow from Japan.

Prices of Japanese stocks and bonds have fallen to their lowest levels of the year, partly reflecting concern over a weak economic outlook and a budget that ends a tax break and imposes a higher sales tax.

By contrast, U.S. stocks are rallying to record levels, and five-year Treasury bonds are yielding 6.08 percent, compared with 1.63 percent for their Japanese equivalents.

"Japan's interest in our bond market will remain strong next year," said Sudhir Patel, a currency trader at NationsBank of Texas in Dallas. That should stoke demand for the dollars needed to buy U.S. bonds.

The dollar closed at 115.300 yen, up from 114.930 yen Thursday.

A quick rebound in Japanese stocks is unlikely because a plan to increase taxes will curb economic growth, Yasuhisa Morikumi, a trader at Bank of America in Tokyo, said.

Finance Minister Hiroshi Mitsuzuka denied that Japan's markets were plunging because of the increase in the national sales tax that was included in a 77.39 trillion yen ($673.36 billion) budget announced Wednesday.

"The market moves according to market principles," he said.

If the government were not raising the sales tax to 5 percent from 3 percent April 1 and ending certain special tax cuts, he said, it would be forced to issue more debt and thereby strain the national finances.

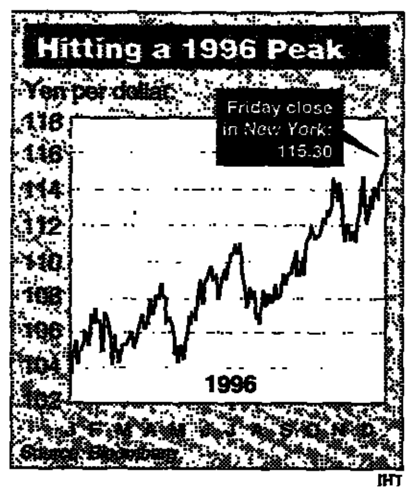
"Reckless issuance of deficit-covering bonds will lead to vicious inflation," he said.

But some analysts said Japanese financial markets had fallen almost to levels that could pose difficulties for policymakers.

The benchmark Nikkei 225-share stock index edged up 0.40 percent Friday, to 19,369.04 points, but it fell 1.5 percent this week.

If the Nikkei plunges through 19,000 and toward 18,000 points, it could trigger problems of capital adequacy at some of the nation's financial institutions. Many Japanese banks are thinly capitalized and struggling to recover from several hundred billion dollars in bad real-estate loans.

To help support their capital base, many large Japanese banks rely on unrealized gains from stocks purchased years ago.



But a sinking stock market could erase those theoretical gains and nibble away at their capital base.

"The soft stock market is likely to last through the first quarter," Mineko Sasaki-Smith, chief economist at CS First Boston (Japan) Ltd., said. "There will be an effort among Japanese investors, for if they sell, they will be hurting themselves. They'll be holding each other's hands to keep the stock market from falling further."

The Economic Planning Agency recently disclosed a lackluster economic outlook, with growth expected to be 1.9 percent for Japan in the year beginning April 1.

It was the Japanese government's lowest growth forecast in the postwar era, and some Japanese economists released even lower projections, helping contribute to the sour market sentiment.

"When we Japanese are faced with a choice between a bright and a gloomy outlook, we tend to choose the gloomy one," said Yasuo Ueki, general manager of equity operations at Nikko Securities Co. "Japanese are pessimistic. But I personally think the economy has been on a slow recovery track since 1993. There may be some bumps along the way, but I think that the economy will pick up in the second half of next year."

The Nikkei stock average has fallen in the last two months of the year in seven of the past 10 years, according to Mrs. Sasaki-Smith.

This year in particular, with markets

See YEN, Page 10

Marvel Files for Bankruptcy Protection

Compiled by Our Staff From Dispatches

WILMINGTON, Delaware — Marvel Entertainment Group Inc. filed for Chapter 11 bankruptcy-law protection Friday after its controlling shareholder, Ronald Perelman, failed to reach a bailout agreement with bondholders.

The unprofitable company, which publishes comic books such as "Spiderman," listed consolidated assets of $1.3 billion and consolidated liabilities of about $1.2 billion in a filing in U.S. Bankruptcy Court.

Mr. Perelman's reorganization plan calls for his Andrews Group Inc. to pay $365 million for 427 million new shares of Marvel, either in cash or in shares of Toy Biz Inc., a profitable toymaker. The move would make Toy Biz a unit of Marvel, giving it a needed source of cash. The reorganization plan would maintain Andrews Group's stake at 80.8 percent of Marvel's shares outstanding. The remaining stake, held by the public, would be diluted to 3.63 percent from 18.84 percent, according to the filing.

"We would have preferred to recapitalize Marvel without having to seek the aid of the court, but the actions and positions taken by the bondholders prevented that approach," Marvel's chairman, Scott Sassa, said.

The plan was criticized by Carl Icahn, who holds an undisclosed amount of Marvel bonds through his High River Ltd. partnership. Mr. Icahn called the bankruptcy filing a ploy by Mr. Perelman to secure a "windfall profit" for himself at the expense of others because the plan diluted public ownership in Marvel but protected Mr. Perelman's stake. Marvel has missed interest payments on its loans, and last month it reported its fourth quarterly loss.

Marvel said that as part of the bankruptcy filing, its lenders had agreed to provide $160 million in new funds to help finance the company and that a lending group led by Chase Manhattan Corp. had agreed to provide $100 million in debtor-in-possession financing.

The bankruptcy-law filing was negotiated in advance, partly because the secured lenders had already agreed to the conditions. The bank group has lent $640 million to Marvel.

Marvel's bondholders are not listed as creditors in the bankruptcy filing. Marvel shares did not trade Friday.

(Bloomberg, Reuters)

ECONOMIC SCENE

Economics and Reality: A New Rapport

By Peter Passell
New York Times Service

NEW YORK — If American economists were inclined to borrow from Shakespeare, they might dub this the winter of their discontent. Undergraduates who once majored in economics as a stepping stone to riches at Goldman, Sachs & Co. are turning to mathematics. Even The New Yorker magazine has piled on, concluding in an article that the Nobel Prize for economics should be abolished.

Most economists wining and dining their way through the annual meeting of the American Economics Association in New Orleans next week would probably concede that the profession has not lived up to the inflated expectations of the 1960s and early 1970s.

What is worse, solutions to the gnawing economic problems of the era — widening income inequality and slow productivity growth — remain elusive.

But it does not follow that contemporary economics is irrelevant, that an abundance of pointless academic research is overwhelming the good work. On the contrary, economists today probably have more useful things to say about the real world than they have had since the British economist David Ricardo explained why free trade meant more to his nation's future than the prosperity of its wheat farmers did.

Start with the perennial complaint that economics has abandoned its roots in the real world in favor of mathematical games that only the elite can play. There is a whiff of truth here: Like most scholars, economists publish a lot of research that might as well have been written in Aramaic.

But that is no indictment of the profession's demand that young doctoral degree holders should know more mathematics than previous generations. Although it is possible to practice economics with only a basic knowledge of statistical techniques (plug in the numbers, press ENTER), it cannot be done well without a clear understanding of first principles. It is also worth noting that mathematics has never been a barrier for the most productive U.S. policy economists of this generation — from Lawrence Katz, the former chief economist of the Labor Department, to Lawrence Summers, deputy secretary of the Treasury.

The more serious criticism is that economists' reach has exceeded their grasp. In the heady decade of the 1960s it was glibly asserted that economics was on the verge of joining, say, physics and chemistry in its ability to explain and predict. Economists no longer make such inflated claims.

Many, in fact, have probably gone too far in distancing themselves from the old dream, wallowing in the nihilism of the "rational expectations" theory, which implies that activist policy economics is self-defeating. Even the sensible middle of the profession has forsaken ambitious computer model-building, disdaining even cautious and hard-headed efforts to forecast economic change. But, that having been said, there is no shortage of relevant economic research out there. Some randomly chosen examples:

- Spurred by the collapse of central planning in the Soviet bloc and the stunning rise of the Asian tigers, economists are again working on issues of why some countries break out of poverty and others do not.
- Regulatory economics is enjoying a renaissance, driven by political debates about the environment, education reform and deregulation in utilities and telecommunications.
- Labor economics is branching out, providing the empirical backbone for evaluating public policy toward immigration, discrimination, child care and investments in education.
- The baby boom, and subsequent bust, inspired a new field called generational accounting, a first serious attempt to analyze public policy in terms of equity between generations.
- Game theory is finally delivering on its promises. It was used to design the highly successful auction of U.S. radio frequencies this year and is working its way into all sorts of corporate planning in which one company must anticipate the response of others.

Economics is not failing; it is changing. There is a new sobriety, perhaps — a sense that more work has to be done in the trenches and less in the ivory tower. But to paraphrase John Maynard Keynes, the ideas of economists still rule the world.

After Riding With the Bulls, Can Investors Face a Bear?

By Edward Wyatt
New York Times Service

NEW YORK — Encouraged by continued growth in financial markets, the number of American households investing in mutual funds has risen by more than 20 percent in the past two years, recent research shows.

But a growing share of the largest segment of that group — shareholders in funds that invest in the stock market — has never experienced a significant market downturn, raising questions among analysts about just how these investors will react if there is a sharp decline in stock prices.

In a recently released survey conducted in April for the Investment Company Institute, a mutual-fund trade group, 37 percent of those questioned said they owned shares in a mutual fund that invested in stocks, bonds or money markets, up from 31 percent two years ago.

That would put the number of U.S. households owning shares in mutual funds at 37 million, the institute estimated. In 1994, 30 million households owned funds.

In terms of individuals, the growth has been even more rapid. Based on its household survey, the trade group estimates that 63 million Americans own mutual-fund shares, said John Rea, the institute's chief economist, an increase of 66 percent from an estimate of 38 million that the institute has used for the past four years, based on census data.

Byron Wien, U.S. investment strategist at Morgan Stanley & Co., said the growth of the mutual-fund industry held significant implications for the future of the financial markets.

"That does indicate that, instead of being very narrow, ownership of mutual funds has really broadened during the 1990s," Mr. Wien said.

"Since there are so many new investors in equity mutual funds, the real question mark is how they will behave when and if the market corrects. The answer, probably, is not well."

The significant increase in the number of fund-owning households helps to explain the rapid growth of the mutual-fund industry over the past two years and provides support for those who argue that the sharp rise in the stock market has been aided by a flood of cash from mutual-fund investors, particularly those who invest through retirement savings plans.

Mutual-fund assets rose to $3.39 trillion at the end of October from $2.16 trillion at the end of 1994. Assets of stock mutual funds have risen even more quickly — to $1.65 trillion, or 48.7 percent of the total, at the end of October, compared with $866.5 billion, or 40 percent of total fund assets, in 1994.

But the data also contain some warnings. About one-fifth of all mutual-fund owners made their first investments within the past two years, and more than 60 percent of those buyers purchased equity funds.

With the U.S. stock market not having experienced a decline of more than 10 percent in six years, what those new stock-market investors will do when confronted with a downturn is uncertain.

Mr. Rea, the mutual-fund trade group's chief economist, said he saw greater significance in the fact that two-thirds of the households that owned mutual fund shares bought them before 1990. It was in October 1990 that the current bull market began.

See FUNDS, Page 13

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CURRENCY & INTEREST RATES

Cross Rates

Dec. 27

	$	£	D.M.	F.F.	Lira	D.fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.7455	2.9546	1.1236	0.3329	0.1142*	—	5.448*	1.2947	1.5114*	1.2755	1.3325*
Brussels	32.0825	54.0825	20.605	6.1085	2.0964*	18.3586	—	23.775	0.270	23.505	24.46*
Frankfurt	1.5575	2.6215	—	0.2964	0.1016*	0.891	4.858*	1.1539	1.35*	1.148	1.1875*
London (a)	1.6716	—	2.6388	8.8725	2,580.8353	2.9334	54.3980	2.2618	195.2615	2.2952	221.6235
Madrid	131.229	220.819	84.256	24.902	8.521*	75.80	4.0691	97.228	113.447*	96.117	—
Milan	1,530.85	2,575.96	982.89	291.42	—	905.72	47.785	1,134.22	13.202	1,121.26	11.668
New York (b)	—	1.6826	1.5545	5.2435	1,530.80	1.7449	32.86	1.3465	115.38	1.368	131.14
Paris	5.253	8.839	3.3737	—	0.3432*	3.005	0.1637	3.892	4.5508*	3.8075	4.004*
Tokyo	115.25	192.53	74.05	21.94	6.755	65.99	3.5071	85.87	—	84.45	0.8886
Toronto	1.3671	2.3077	0.8674	0.2608	0.0893*	0.7836	0.4167*	1.0134	1.1855*	—	1.043*
Zurich	1.3485	2.2603	0.8676	0.2574	0.0881*	0.7726	4.2101*	—	1.1672*	0.985	1.0294*
1 ECU	1.2486	0.742	1.9446	6.5587	1,911.35	2.1826	40.0493	1.652	144.128	1.7047	163.811
1 SDR	1.4355	0.853	2.236	7.5404	2,197.73	2.5006	45.9581	1.9361	165.087	N.Q.	188.355

Closings in Amsterdam, London, Milan, New York, Paris, Toronto, and Zurich, fixings in other centers.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	247.44	Mex. peso	7.846	S. Afr. rand	4.68
Australian $	1.2563	Hong Kong $	7.7372	N. Zealand $	1.4168	S. Kor. won	843.60
Austrian sch.	10.955	Hung. forint	164.74	Norw. krone	6.4895	Swed. krona	6.8705
Brazil real	1.0385	Indian rupee	35.838	Phil. peso	26.29	Taiwan $	27.50
Chinese yuan	8.3277	Indo. rupiah	2361.53	Polish zloty	2.86	Thai baht	25.62
Czech koruna	27.33	Irish £	0.6037	Port. escudo	156.66	Turkish lira	106930.
Danish krone	5.957	Israeli shek.	3.2695	Russ ruble	5558.00	UAE dirham	3.6705
Egypt. pound	3.3920	Kuw. dinar	0.2999	Saudi riyal	3.7505	Venez. boliv.	474.75
Fin. markka	4.6495	Malay. ring.	2.5286	Sing. $	1.3997		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6847	1.6834	1.6822	Japanese yen	114.94	114.48	113.99
Canadian dollar	1.3606	1.3580	1.3556	Swiss franc	1.3454	1.3417	1.3383
Deutsche mark	1.5539	1.5512	1.5484				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Dec. 27

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	2⅞ - 3⅛	1⅞ - 2⅛	6 5/16 - 6 7/16	3¼ - 3⅜	5/16 - ½	4½ - 4⅝
3-month	5 9/16 - 5 11/16	2⅞ - 3⅛	1 15/16 - 2 1/16	6⅜ - 6½	3¼ - 3⅜	7/16 - ½	4 7/16 - 4 9/16
6-month	5½ - 5⅝	2 15/16 - 3 1/16	1 15/16 - 2⅛	6 7/16 - 6 9/16	3¼ - 3⅜	7/16 - ½	4 7/16 - 4 9/16
1-year	5⅝ - 5¾	3 - 3⅛	1 15/16 - 2⅛	6⅞ - 7	3¼ - 3⅜	½ - ⅝	4 7/16 - 4 9/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev	Britain	Close	Prev
Discount rate	5.00	5.00	Bank base rate	6.00	6.00
Prime rate	8¼	8¼	Call money	6.00	5⅞
Federal funds	5.00	5 5/16	1-month interbank	6 3/16	6⅛
90-day CDs dealers	5.50	5.48	3-month interbank	6 5/16	6 5/16
180-day CP dealers	5.35	5.25	6-month interbank	6½	6⅜
3 month Treasury bill	4.97	4.96	10-year Gilt	7.49	7.40
1-year Treasury bill	5.17	5.20			
2-year Treasury bill	5.78	5.83	**France**		
5-year Treasury note	6.08	6.13	Intervention rate	3.15	3.15
7-year Treasury note	6.16	6.22	Call money	3¼	3¼
10-year Treasury note	6.28	6.34	1-month interbank	3⅜	3 5/16
30-year Treasury bond	6.54	6.58	3-month interbank	3⅜	3 5/16
Merrill Lynch 30-day RA	4.95	4.95	6-month interbank	3⅜	3 5/16
Japan			10-year OAT	5.70	5.74
Discount rate	0.50	0.50			
Call money	0.44	0.44			
1-month interbank	0.50	0.53			
3-month interbank	0.50	0.53			
6-month interbank	0.56	0.56			
10-year Govt bond	1.71	1.48			
Germany					
Lombard rate	4.50	4.50			
Call money	3.30	3.00			
1-month interbank	3.15	3.30			
3-month interbank	3.15	3.20			
6-month interbank	3.18	3.15			
10-year Bond	5.80	5.80			

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Crédit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	369.25	369.35	+0.10
London	369.55	369.40	+0.40
New York	371.00	371.10	Unch.

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

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Exchange	Index	Friday Close	Prev. Close	% Change
NYSE	The Dow	6560.91	6546.68	+0.22
NYSE	S&P 500	756.79	755.82	+0.13
NYSE	S&P 100	736.64	735.60	+0.14
NYSE	Composite	398.10	397.07	+0.26
U.S.	Nasdaq Composite	1291.38	1292.23	-0.07
AMEX	Market Value	581.93	582.83	-0.15
Toronto	TSE Index	5902.61	5862.90	+0.68
São Paulo	Bovespa	70069.50	69577.60	+0.71
Mexico City	Bolsa	3327.29	3310.89	+0.49
Buenos Aires	Merval	650.29	650.04	+0.03
Santiago	IPSA General	4919.77	4916.35	+0.07
Caracas	Capital General	6607.78	6476.15	+2.03

Source: Bloomberg, Reuters International Herald Tribune

U.S. Economy's Future Depends on Pensioners

By Peter Passell
New York Times Service

NEW YORK — For the past few years the debate over the future of Social Security in the United States has been cast largely in terms of what should be done to prevent the system itself from collapsing after the baby boomers start retiring early in the next century.

But now, with the much-delayed report of a federal advisory panel on Social Security ready for release possibly next week, a much more significant fault line is coming into focus.

Ultimately at stake in the debate over how to solve the program's long-term financial problems is a choice that will shape the very nature of the U.S. economy in the decades ahead, those on both sides of the trenches say.

One side sees the need to increase the country's anemic savings rate as the paramount issue. They argue that Social Security should be transformed gradually into a hybrid public-private system that encourages people to save much more for their own retirement.

To them the only conceivable way to create an economy capable of supporting the outsized baby-boom generation in retirement is to limit the program's role in simply transferring income from one generation to another.

"Reforms can only work if they increase the size of the pie that must be shared by retirees and workers," said Robert Reischauer, a former director of the Congressional Budget Office who is now an economist at the nonprofit Brookings Institution in Washington.

On the other side, suggests Peter Diamond, an economist at the Massachusetts Institute of Technology and a consultant to the government-sponsored Advisory Council on Social

NEWS ANALYSIS

Security, is a group of "New Deal realists" who fear that any profound change in the way Social Security is structured would pit the "haves" against the "have-nots."

This group is convinced that recasting the country's public retirement system into something resembling a collection of private 401(k) accounts — particularly when combined with other popular policy proposals such as cutting the capital-gains tax — would only exacerbate the trend of recent decades toward greater inequality in the United States.

Ultimately, they say, that will damage the economy more than any gains that might be achieved through increased savings.

"An economy with vast amounts of people of middle income," Treasury Secretary Robert Rubin argued in a recent magazine interview, "will be a more successful economy over time than an economy with a very large income inequality."

The advisory group, appointed by Donna Shalala, secretary of health and human services, in June 1994, brought together 13 people with widely divergent views. The members of the panel — economists, pension experts, representatives from business and labor — are split into three groups.

One, with six members, basically wants to maintain Social Security as it is, although it is willing to consider the idea that some Social Security revenue should be collectively invested in the stock market instead of just put into government bonds, as they are today.

A majority of the panel, divided into two groups of five and two, is pushing competing ideas on how to partly privatize the system.

Each of the three factions says its own plan will guarantee the solvency of Social Security over the next 75 years.

On a few points, the panel members were able to find common ground. They agreed that the straightforward route to fiscal integrity — an immediate 2.2 percentage-point increase in the current 12.4 percent old age and disability insurance payroll tax paid by both employers and employees — is a political nonstarter.

Any solution to the parallel financial problems of Medicare is likely to include a payroll tax increase, leaving Congress with little taste for imposing a double tax hit.

But all agreed that a handful of relatively uncontroversial fixes ranging from an extension of Social Security to state and local government employees to a broadening of the current tax on pension benefits, should be adopted. These would only marginally trim the $3 trillion gap between what Social Security is likely to collect over the next 75 years and what it is obligated to pay under current law.

But beyond those relatively modest areas of agreement, fundamental differences on the goals of reform pulled council members in very different directions.

In their own section of the report, the six council members who favor only modest changes in the system say the private alternatives are "inherently unstable, and could lead to the unraveling of the redistributional provisions that are so integral to Social Security and so crucial to its effectiveness."

This group, led by Robert Ball, a former commissioner of the Social Security Administration, favors small fixes to secure the trust fund through the early decades of the 21st century, followed by a tax increase of at least 1.6 percentage points to prevent bankruptcy around the middle of the century.

Very briefly:

Durable-Goods Orders Drop 1.6%

WASHINGTON (AP) — Orders for high-priced durable goods unexpectedly fell 1.6 percent in November, the first decline in three months, largely because of shrinking demand for electronic equipment, the Commerce Department said Friday in a report suggesting moderating growth in the U.S. economy.

Separately, the Labor Department reported that new claims for jobless benefits fell by a greater-than-expected total of 5,000 last week, to 335,000.

Morgan Stanley Seeks Rule Change

WASHINGTON (Bloomberg) — Morgan Stanley & Co. Inc., saying Friday it had suffered a "severe" loss at the hands of professional traders, wants the Securities and Exchange Commission to change some trading rules as a result.

The investment house said in a letter to the SEC on Nov. 15 that it had been caught off guard when news was released on a company not identified by Morgan that caused a jump in its stock price. It said professional traders had hammered Morgan Stanley with 50 buy orders for the stock before it could raise the price it was charging for the stock. Morgan Stanley did not specify its loss, but one analyst estimated it at $200,000, based on details described in the letter. Morgan Stanley executives declined to comment.

- **Unocal Corp.** began a previously announced plan to buy back as much as $400 million, or about 4 percent, of its common shares outstanding.
- **Arakis Energy Corp.** said its top three vice presidents had resigned. The three — Peter Holstein, David Robinson and David Harrison — played key roles in events leading up to Arakis's recent announcement of a $1 billion deal to develop its oil concessions in Sudan.
- **Mitsubishi Electric Corp.** will merge three units of its **Mitsubishi Electric America** division to form **Mitsubishi Electric Automation Inc.** *Bloomberg, Reuters*

YEN: *Dollar Firm as Japan Stocks Lag*

Continued from Page 9

elsewhere in the world soaring, analysts say, foreign investors began dumping their yen holdings, which sent the value of the yen down. With the yen weakening against the dollar, foreign investors also began selling off their Japanese stocks.

Usually, in such a sell-off, some of the money flows into bonds, but some analysts say Japanese institutional investors sold some of their bonds to lock in gains in preparation for their year-end settling of accounts in March.

Toshihiko Masaki, head of foreign exchange trading at Citibank in Tokyo, said trading in the foreign-exchange markets had also been thin, so that modest selling could produce large jumps in the value of the yen.

He said Japanese individual investors also had played a significant role in pushing down the yen. Low interest rates in Japan have encouraged individual investors to buy foreign securities offering higher yields.

"The locomotive has been individual investors," he said.

The yen may get some help from the Bank of Japan if it continues to fall. In a note to investors, Chase Investment Bank said the Bank of Japan would probably need to intervene to prevent the dollar breaking much above 115 yen and that verbal intervention from government officials would not work much longer.

"The only question is when the BOJ will step in," Chase said. "Some modest intervention may well be seen soon."

The dollar rose against other major currencies, but it fell to a four-year low against the pound amid

FOREIGN EXCHANGE

expectations that the strong British economy would lead the government to raise interest rates early next year.

British rates were last raised a quarter of a percentage point in late October.

"You would think that to a certain extent this is already priced in," said Anne Pankowski, a director of foreign exchange at Canadian Imperial Bank of Commerce.

The pound finished at $1.6920, up from $1.6740, in New York.

The dollar rose against the Swiss franc, which is suffering from Switzerland's economic weakness. The economy has shrunk for the past seven quarters. The dollar ended at 1.3485 francs, up from 1.3435 francs Thursday.

The dollar also rose to 1.5545 Deutsche marks, up from 1.5533 DM. But it fell against the French currency, dropping to 5.2435 francs from 5.2440 francs. *(NYT, Market News, Bloomberg, Reuters)*

Bonds Help Stocks Set a Record

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rose to record levels Friday, buoyed by higher Treasury bond prices, but gains were limited by weakness in technology issues.

The Dow Jones industrial average closed up 14.23 points at a record 6,560.91, while gaining issues outnumbered losing ones by a 7-to-4 ratio on the New York Stock Exchange.

The price of the benchmark 30-year Treasury bond rose 9/32 point, to 99 7/32, taking the yield down to 6.56 percent from 6.58 percent Thursday.

Bonds rose after a report that orders for durable goods fell in November, reinforcing the view that the U.S. economy was not overheating. The report "showed at best continued modest growth," Paul DeNoon of Alliance Capital Management said.

The dollar's strength against the yen also helped push bond and stock prices higher by bolstering expectations that foreign investors would continue to show strong demand for U.S. assets.

Stocks also were helped by investors rushing to add big-name performers to their portfolios before the end of the year. That was why large-company stocks were outperforming smaller ones, James Weiss, senior portfolio manager at State Street Investments in Boston, said.

Earnings at companies with large market capitalizations are often viewed as more dependable, and their shares are easier for mutual-fund managers to buy and sell

U.S. STOCKS

in large blocks. Philip Morris rose ½ to 113⅝, Coca-Cola rose ¾ to 54, and Westinghouse Electric rose ⅞ to 19⅝ to pace the big-name companies.

But technology stocks fell, pulled down by a warning from Computer Associates, which plunged 13¼ to 48½ and was the most actively traded Big Board stock. The software publisher said its third-quarter sales would be as much as 17 percent below analysts' estimates because of poor revenue in Europe.

That warning shook other high-tech issues, with Motorola losing 1½ to 61¾, Iomega falling ¼ to 17⅜ and Intel falling 1¼ 135¾.

MicroTouch Systems fell 2¾ to 25¼ after the manufacturer of computer touchscreens said it had restated its 1995 and 1996 earnings because of higher-than-expected costs in a legal dispute with a Japanese distributor.

But Zitel surged 9⅛ to a record 61¼ amid speculation that the investor George Soros was raising his stake in companies trying to solve the problem of how to get computers to read the year 2000. Zitel shares have risen 23¼ in the past week.

Telecommunications stocks continued to gain, benefiting from a decision this week by federal regulators to allow local carriers to keep levying access charges on long-distance providers. Such fees total about $30 billion a year. AT&T rose ¾ to 43¾, as did three regional Bell operating companies — Ameritech, which rose 2⅜ to 63¼, BellSouth, which gained 3⅛ to 44, and Bell Atlantic, which advanced 2⅞ to 67⅞.

Vivra's shares dropped 1½ to 25⅞ after it said the federal government was investigating billing practices at its kidney-dialysis business.

InVision Technologies surged 6 to 31½ after the electronics-component maker won a $52.2 million contract to provide explosives-detection systems to the Federal Aviation Administration for U.S. airports. *(Bloomberg, AP, Reuters)*

AMEX

Friday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AMC	1300	[illegible]	[illegible]	[illegible]	[illegible]
AVIC Gp n	239	[illegible]	[illegible]	[illegible]	[illegible]
AckGrp s	117	[illegible]	[illegible]	[illegible]	[illegible]
AdvMed	1429	[illegible]	[illegible]	[illegible]	[illegible]
Aerosonic	90	[illegible]	[illegible]	[illegible]	[illegible]
AHapgen	198	[illegible]	[illegible]	[illegible]	[illegible]
AlldDgtl	152	[illegible]	[illegible]	[illegible]	[illegible]
AldD wtA	200	[illegible]	[illegible]	[illegible]	[illegible]
Alphain	201	[illegible]	[illegible]	[illegible]	[illegible]
AltJvng n	441	[illegible]	[illegible]	[illegible]	[illegible]
Amdhl	1989	[illegible]	[illegible]	[illegible]	[illegible]
AExpl	520	[illegible]	[illegible]	[illegible]	[illegible]
AIM 86	216	[illegible]	[illegible]	[illegible]	[illegible]
AREInv	113	[illegible]	[illegible]	[illegible]	[illegible]
ASciE	243	[illegible]	[illegible]	[illegible]	[illegible]
AmShrd	110	[illegible]	[illegible]	[illegible]	[illegible]
ATechC	120	[illegible]	[illegible]	[illegible]	[illegible]
Ampex n	2041	[illegible]	[illegible]	[illegible]	[illegible]
Andrea	235	[illegible]	[illegible]	[illegible]	[illegible]
AstLiving	538	[illegible]	[illegible]	[illegible]	[illegible]
Astrotc	168	[illegible]	[illegible]	[illegible]	[illegible]
Audvox	828	[illegible]	[illegible]	[illegible]	[illegible]
AurorEl	136	[illegible]	[illegible]	[illegible]	[illegible]
Autotote	1374	[illegible]	[illegible]	[illegible]	[illegible]
Azco	399	[illegible]	[illegible]	[illegible]	[illegible]
BAT Ind	101	[illegible]	[illegible]	[illegible]	[illegible]
Baker	112	[illegible]	[illegible]	[illegible]	[illegible]
Baldw	374	[illegible]	[illegible]	[illegible]	[illegible]
BayMeo	243	[illegible]	[illegible]	[illegible]	[illegible]
Bayou	1491	[illegible]	[illegible]	[illegible]	[illegible]
BSJon wt	609	[illegible]	[illegible]	[illegible]	[illegible]
BSYn pwt97	177	[illegible]	[illegible]	[illegible]	[illegible]
BemaGold	1068	[illegible]	[illegible]	[illegible]	[illegible]
BentPh	223	[illegible]	[illegible]	[illegible]	[illegible]
BentPh wt	100	[illegible]	[illegible]	[illegible]	[illegible]
BergCo	104	[illegible]	[illegible]	[illegible]	[illegible]
BethCp	196	[illegible]	[illegible]	[illegible]	[illegible]
BinkMf	273	[illegible]	[illegible]	[illegible]	[illegible]
BioR A s	99	[illegible]	[illegible]	[illegible]	[illegible]
BiscApp	127	[illegible]	[illegible]	[illegible]	[illegible]
BlairCp	207	[illegible]	[illegible]	[illegible]	[illegible]
BlondT	106	[illegible]	[illegible]	[illegible]	[illegible]
Bogen wt	110	[illegible]	[illegible]	[illegible]	[illegible]
Bowmr	195	[illegible]	[illegible]	[illegible]	[illegible]
Bowne	408	[illegible]	[illegible]	[illegible]	[illegible]
Brandyw s	134	[illegible]	[illegible]	[illegible]	[illegible]
B&B US n	181	[illegible]	[illegible]	[illegible]	[illegible]
CFX Cp	91	[illegible]	[illegible]	[illegible]	[illegible]
Cabvsn	1373	[illegible]	[illegible]	[illegible]	[illegible]
Cablvs pf	288	[illegible]	[illegible]	[illegible]	[illegible]
Cabletel g	106	[illegible]	[illegible]	[illegible]	[illegible]
Cambior	864	[illegible]	[illegible]	[illegible]	[illegible]
Cambrx s	270	[illegible]	[illegible]	[illegible]	[illegible]
CanyonRs	1062	[illegible]	[illegible]	[illegible]	[illegible]
Caremtx n	101	[illegible]	[illegible]	[illegible]	[illegible]
CastlAM s	107	[illegible]	[illegible]	[illegible]	[illegible]
CasFd	107	[illegible]	[illegible]	[illegible]	[illegible]
CFCan g	302	[illegible]	[illegible]	[illegible]	[illegible]
ChadThr	1145	[illegible]	[illegible]	[illegible]	[illegible]
ecChesBio	100	[illegible]	[illegible]	[illegible]	[illegible]
Chief	408	[illegible]	[illegible]	[illegible]	[illegible]
Citadel	297	[illegible]	[illegible]	[illegible]	[illegible]
CitFFin n	117	[illegible]	[illegible]	[illegible]	[illegible]
ColLb	1450	[illegible]	[illegible]	[illegible]	[illegible]
CmdrAp n	206	[illegible]	[illegible]	[illegible]	[illegible]
CmdrA wt	125	[illegible]	[illegible]	[illegible]	[illegible]
CmdHan	202	[illegible]	[illegible]	[illegible]	[illegible]
Cmptrc	274	[illegible]	[illegible]	[illegible]	[illegible]
Cross	312	[illegible]	[illegible]	[illegible]	[illegible]
ecCrownL	410	[illegible]	[illegible]	[illegible]	[illegible]
Cybexinti	584	[illegible]	[illegible]	[illegible]	[illegible]
Cycom gs	752	[illegible]	[illegible]	[illegible]	[illegible]
Di Ind	730	[illegible]	[illegible]	[illegible]	[illegible]
ecDabG	100	[illegible]	[illegible]	[illegible]	[illegible]
DaniHd	1257	[illegible]	[illegible]	[illegible]	[illegible]
Datamet	874	[illegible]	[illegible]	[illegible]	[illegible]
Daxor	261	[illegible]	[illegible]	[illegible]	[illegible]
DaytonMn	396	[illegible]	[illegible]	[illegible]	[illegible]
DelLab s	126	[illegible]	[illegible]	[illegible]	[illegible]
DenAmer	145	[illegible]	[illegible]	[illegible]	[illegible]
DiagCT	177	[illegible]	[illegible]	[illegible]	[illegible]
DrylMu	523	[illegible]	[illegible]	[illegible]	[illegible]
Drycam	150	[illegible]	[illegible]	[illegible]	[illegible]
EXX A	117	[illegible]	[illegible]	[illegible]	[illegible]
EZ Serv	214	[illegible]	[illegible]	[illegible]	[illegible]
EchoBay	6947	[illegible]	[illegible]	[illegible]	[illegible]
Edisto	1788	[illegible]	[illegible]	[illegible]	[illegible]
ElPasoE n	1432	[illegible]	[illegible]	[illegible]	[illegible]
Eldorad	253	[illegible]	[illegible]	[illegible]	[illegible]
EmerR	1312	[illegible]	[illegible]	[illegible]	[illegible]
EmpCar	638	[illegible]	[illegible]	[illegible]	[illegible]
EnzoBi	385	[illegible]	[illegible]	[illegible]	[illegible]
Epitope	678	[illegible]	[illegible]	[illegible]	[illegible]
EssxBc	94	[illegible]	[illegible]	[illegible]	[illegible]
FFP	109	[illegible]	[illegible]	[illegible]	[illegible]
FarmTel s	96	[illegible]	[illegible]	[illegible]	[illegible]
FemHiln	158	[illegible]	[illegible]	[illegible]	[illegible]
Fibrbd	313	[illegible]	[illegible]	[illegible]	[illegible]
FtAust	225	[illegible]	[illegible]	[illegible]	[illegible]
FAusPr	2176	[illegible]	[illegible]	[illegible]	[illegible]
FtCntrl	145	[illegible]	[illegible]	[illegible]	[illegible]
Fribrc	182	[illegible]	[illegible]	[illegible]	[illegible]
ForstLb	2764	[illegible]	[illegible]	[illegible]	[illegible]
FortPet	169	[illegible]	[illegible]	[illegible]	[illegible]
ForumRe	158	[illegible]	[illegible]	[illegible]	[illegible]
FrnkSel	275	[illegible]	[illegible]	[illegible]	[illegible]
FreqEl	225	[illegible]	[illegible]	[illegible]	[illegible]
GST Tele	830	[illegible]	[illegible]	[illegible]	[illegible]
GoylCn	2158	[illegible]	[illegible]	[illegible]	[illegible]
GnAuto	526	[illegible]	[illegible]	[illegible]	[illegible]
GnEmp	107	[illegible]	[illegible]	[illegible]	[illegible]
GetchGld	162	[illegible]	[illegible]	[illegible]	[illegible]
Giant	109	[illegible]	[illegible]	[illegible]	[illegible]
GibOCn	98	[illegible]	[illegible]	[illegible]	[illegible]
GlobSml	90	[illegible]	[illegible]	[illegible]	[illegible]
Globlnk	359	[illegible]	[illegible]	[illegible]	[illegible]
GoVideo	222	[illegible]	[illegible]	[illegible]	[illegible]
GldStarR	1822	[illegible]	[illegible]	[illegible]	[illegible]
GldFld	563	[illegible]	[illegible]	[illegible]	[illegible]
Greenbri	855	[illegible]	[illegible]	[illegible]	[illegible]
GreyhndL	1877	[illegible]	[illegible]	[illegible]	[illegible]
GrSmec	718	[illegible]	[illegible]	[illegible]	[illegible]
HalEP	132	[illegible]	[illegible]	[illegible]	[illegible]
HangOr	135	[illegible]	[illegible]	[illegible]	[illegible]
HanDir	3998	[illegible]	[illegible]	[illegible]	[illegible]
Han wtB	1207	[illegible]	[illegible]	[illegible]	[illegible]
Harken	946	[illegible]	[illegible]	[illegible]	[illegible]
Hasbro	2006	[illegible]	[illegible]	[illegible]	[illegible]
HawAir	228	[illegible]	[illegible]	[illegible]	[illegible]
HlmCh	350	[illegible]	[illegible]	[illegible]	[illegible]
HltPlanet	126	[illegible]	[illegible]	[illegible]	[illegible]
Hearx n	20090	[illegible]	[illegible]	[illegible]	[illegible]
HomeVil n	131	[illegible]	[illegible]	[illegible]	[illegible]
HomeV wt	276	[illegible]	[illegible]	[illegible]	[illegible]
Honda	97	[illegible]	[illegible]	[illegible]	[illegible]
HovnEn	113	[illegible]	[illegible]	[illegible]	[illegible]
HungTel	123	[illegible]	[illegible]	[illegible]	[illegible]
ICG Com	485	[illegible]	[illegible]	[illegible]	[illegible]
IGI	301	[illegible]	[illegible]	[illegible]	[illegible]
Identix	1169	[illegible]	[illegible]	[illegible]	[illegible]
ImpCMtg	138	[illegible]	[illegible]	[illegible]	[illegible]
ImpOil g	341	[illegible]	[illegible]	[illegible]	[illegible]
IntegTc n	137	[illegible]	[illegible]	[illegible]	[illegible]
ecIntmaC	90	[illegible]	[illegible]	[illegible]	[illegible]
InCIPd	613	[illegible]	[illegible]	[illegible]	[illegible]
InterDig	2967	[illegible]	[illegible]	[illegible]	[illegible]
ecIntrnnc	806	[illegible]	[illegible]	[illegible]	[illegible]
Infrmgan	487	[illegible]	[illegible]	[illegible]	[illegible]
IRIS	250	[illegible]	[illegible]	[illegible]	[illegible]
IntsIGC	140	[illegible]	[illegible]	[illegible]	[illegible]
Intrsystm	224	[illegible]	[illegible]	[illegible]	[illegible]
IonLaser	248	[illegible]	[illegible]	[illegible]	[illegible]
IvaxCp	10859	[illegible]	[illegible]	[illegible]	[illegible]
JTS Corp	1953	[illegible]	[illegible]	[illegible]	[illegible]
JanBell	944	[illegible]	[illegible]	[illegible]	[illegible]
Jetronic	281	[illegible]	[illegible]	[illegible]	[illegible]
KFX Inc	291	[illegible]	[illegible]	[illegible]	[illegible]
KV Ph A	141	[illegible]	[illegible]	[illegible]	[illegible]
Keane s	803	[illegible]	[illegible]	[illegible]	[illegible]
KeyEng	98	[illegible]	[illegible]	[illegible]	[illegible]
KinarkA	220	[illegible]	[illegible]	[illegible]	[illegible]
KoprEq	334	[illegible]	[illegible]	[illegible]	[illegible]
LXRBiot	303	[illegible]	[illegible]	[illegible]	[illegible]
LaBarg	197	[illegible]	[illegible]	[illegible]	[illegible]
Landaur	135	[illegible]	[illegible]	[illegible]	[illegible]
LsrTech	171	[illegible]	[illegible]	[illegible]	[illegible]
LehAMGN	127	[illegible]	[illegible]	[illegible]	[illegible]
LilVern	427	[illegible]	[illegible]	[illegible]	[illegible]
MAI Sys	358	[illegible]	[illegible]	[illegible]	[illegible]
MHM Serv	210	[illegible]	[illegible]	[illegible]	[illegible]
Magellan	337	[illegible]	[illegible]	[illegible]	[illegible]
MagnPet	153	[illegible]	[illegible]	[illegible]	[illegible]
MaximPh n	91	[illegible]	[illegible]	[illegible]	[illegible]
MedcR	240	[illegible]	[illegible]	[illegible]	[illegible]
Media	154	[illegible]	[illegible]	[illegible]	[illegible]
MediaLog	391	[illegible]	[illegible]	[illegible]	[illegible]
Medig	137	[illegible]	[illegible]	[illegible]	[illegible]
MLNik 97wt	195	[illegible]	[illegible]	[illegible]	[illegible]
ML TTY n	104	[illegible]	[illegible]	[illegible]	[illegible]
Metromda	1586	[illegible]	[illegible]	[illegible]	[illegible]
MMed	117	[illegible]	[illegible]	[illegible]	[illegible]
MoranF	475	[illegible]	[illegible]	[illegible]	[illegible]
MSNik 97wt	928	[illegible]	[illegible]	[illegible]	[illegible]
MmasiaE	560	[illegible]	[illegible]	[illegible]	[illegible]
MovieStr	125	[illegible]	[illegible]	[illegible]	[illegible]
Munlin	90	[illegible]	[illegible]	[illegible]	[illegible]
MuniMtg n	520	[illegible]	[illegible]	[illegible]	[illegible]
Munvst	497	[illegible]	[illegible]	[illegible]	[illegible]
NTNCom	1536	[illegible]	[illegible]	[illegible]	[illegible]
NVR	268	[illegible]	[illegible]	[illegible]	[illegible]
Nabors	6322	[illegible]	[illegible]	[illegible]	[illegible]
Nelmed n	117	[illegible]	[illegible]	[illegible]	[illegible]
NY Times	274	[illegible]	[illegible]	[illegible]	[illegible]
Nordic wt	105	[illegible]	[illegible]	[illegible]	[illegible]
NA Vacc	202	[illegible]	[illegible]	[illegible]	[illegible]
Novavx	365	[illegible]	[illegible]	[illegible]	[illegible]
OOklep	90	[illegible]	[illegible]	[illegible]	[illegible]
OmniMull	602	[illegible]	[illegible]	[illegible]	[illegible]
Oncor	7568	[illegible]	[illegible]	[illegible]	[illegible]
Oncormd	164	[illegible]	[illegible]	[illegible]	[illegible]
Organgn	2180	[illegible]	[illegible]	[illegible]	[illegible]
Oshmn	340	[illegible]	[illegible]	[illegible]	[illegible]
PC Quote	401	[illegible]	[illegible]	[illegible]	[illegible]
PGECap pf	279	[illegible]	[illegible]	[illegible]	[illegible]
PLC Sys	572	[illegible]	[illegible]	[illegible]	[illegible]
PanAmC n	401	[illegible]	[illegible]	[illegible]	[illegible]
PaxsnC	466	[illegible]	[illegible]	[illegible]	[illegible]
PegGld	1317	[illegible]	[illegible]	[illegible]	[illegible]
PenRE	134	[illegible]	[illegible]	[illegible]	[illegible]
PeopleTel	473	[illegible]	[illegible]	[illegible]	[illegible]
PhxNet	444	[illegible]	[illegible]	[illegible]	[illegible]
Polymed	377	[illegible]	[illegible]	[illegible]	[illegible]
Polyph	322	[illegible]	[illegible]	[illegible]	[illegible]
PortSys s	395	[illegible]	[illegible]	[illegible]	[illegible]
PratHl	337	[illegible]	[illegible]	[illegible]	[illegible]
PratLa	386	[illegible]	[illegible]	[illegible]	[illegible]
PriceE s	844	[illegible]	[illegible]	[illegible]	[illegible]
ProsCT	224	[illegible]	[illegible]	[illegible]	[illegible]
PsycCp	508	[illegible]	[illegible]	[illegible]	[illegible]
RF Pow	347	[illegible]	[illegible]	[illegible]	[illegible]
ReaGold	188	[illegible]	[illegible]	[illegible]	[illegible]
RLonInn	102	[illegible]	[illegible]	[illegible]	[illegible]
RoyalO g	4271	[illegible]	[illegible]	[illegible]	[illegible]
SabaPet s	1438	[illegible]	[illegible]	[illegible]	[illegible]
SagaCm s	129	[illegible]	[illegible]	[illegible]	[illegible]
SBYen wt98	1058	[illegible]	[illegible]	[illegible]	[illegible]
SFeGam	1554	[illegible]	[illegible]	[illegible]	[illegible]
SFeGp pf	500	[illegible]	[illegible]	[illegible]	[illegible]
ShefldMd	158	[illegible]	[illegible]	[illegible]	[illegible]
ecSoligen	254	[illegible]	[illegible]	[illegible]	[illegible]
Stage	150	[illegible]	[illegible]	[illegible]	[illegible]
SPDR	3752	[illegible]	[illegible]	[illegible]	[illegible]
SP Mid	2338	[illegible]	[illegible]	[illegible]	[illegible]
StevnIntA	340	[illegible]	[illegible]	[illegible]	[illegible]
SubstAbus	2693	[illegible]	[illegible]	[illegible]	[illegible]
Sulcus	848	[illegible]	[illegible]	[illegible]	[illegible]
SumitTx	155	[illegible]	[illegible]	[illegible]	[illegible]
SunCty	103	[illegible]	[illegible]	[illegible]	[illegible]
SuprSrg	132	[illegible]	[illegible]	[illegible]	[illegible]
Team	106	[illegible]	[illegible]	[illegible]	[illegible]
TejnR	95	[illegible]	[illegible]	[illegible]	[illegible]
TelOte	816	[illegible]	[illegible]	[illegible]	[illegible]
TexBiotch	1012	[illegible]	[illegible]	[illegible]	[illegible]
TexBj wt	130	[illegible]	[illegible]	[illegible]	[illegible]
TexMer	201	[illegible]	[illegible]	[illegible]	[illegible]
Thermed	296	[illegible]	[illegible]	[illegible]	[illegible]
ThrmBio n	137	[illegible]	[illegible]	[illegible]	[illegible]
ThCar s	585	[illegible]	[illegible]	[illegible]	[illegible]
TmEco s	268	[illegible]	[illegible]	[illegible]	[illegible]
ThmFib s	244	[illegible]	[illegible]	[illegible]	[illegible]
ThrmInst	123	[illegible]	[illegible]	[illegible]	[illegible]
ThrOptk n	124	[illegible]	[illegible]	[illegible]	[illegible]
ThrmRe	111	[illegible]	[illegible]	[illegible]	[illegible]
ThrSpect	159	[illegible]	[illegible]	[illegible]	[illegible]
ThrVolt s	363	[illegible]	[illegible]	[illegible]	[illegible]
Thrmotre	218	[illegible]	[illegible]	[illegible]	[illegible]
Thrmotr	206	[illegible]	[illegible]	[illegible]	[illegible]
Thrmwd	125	[illegible]	[illegible]	[illegible]	[illegible]
Tipperary	94	[illegible]	[illegible]	[illegible]	[illegible]
Tofum	91	[illegible]	[illegible]	[illegible]	[illegible]
TopSrce	2040	[illegible]	[illegible]	[illegible]	[illegible]
TotlPet	148	[illegible]	[illegible]	[illegible]	[illegible]
TownCty	924	[illegible]	[illegible]	[illegible]	[illegible]
TWA	7570	[illegible]	[illegible]	[illegible]	[illegible]
TmsLx	93	[illegible]	[illegible]	[illegible]	[illegible]
Transmt n	141	[illegible]	[illegible]	[illegible]	[illegible]
TransMed n	359	[illegible]	[illegible]	[illegible]	[illegible]
Tripitech	247	[illegible]	[illegible]	[illegible]	[illegible]
Triton	203	[illegible]	[illegible]	[illegible]	[illegible]
TubMex	1485	[illegible]	[illegible]	[illegible]	[illegible]
UTI Eng	181	[illegible]	[illegible]	[illegible]	[illegible]
Unapix	255	[illegible]	[illegible]	[illegible]	[illegible]
Unifax s	277	[illegible]	[illegible]	[illegible]	[illegible]
UniFab	1426	[illegible]	[illegible]	[illegible]	[illegible]
Unimar	353	[illegible]	[illegible]	[illegible]	[illegible]
UniMbl	277	[illegible]	[illegible]	[illegible]	[illegible]
USBiosci s	745	[illegible]	[illegible]	[illegible]	[illegible]
US Cell	309	[illegible]	[illegible]	[illegible]	[illegible]
UnitelV	121	[illegible]	[illegible]	[illegible]	[illegible]
VKAdM2	110	[illegible]	[illegible]	[illegible]	[illegible]
VKSelS	159	[illegible]	[illegible]	[illegible]	[illegible]
Viacom	1242	[illegible]	[illegible]	[illegible]	[illegible]
ViacB	11842	[illegible]	[illegible]	[illegible]	[illegible]
Viac wtC	3818	[illegible]	[illegible]	[illegible]	[illegible]
Viac wtE	371	[illegible]	[illegible]	[illegible]	[illegible]
ViroGa	803	[illegible]	[illegible]	[illegible]	[illegible]
Vitronic	240	[illegible]	[illegible]	[illegible]	[illegible]
WPT	829	[illegible]	[illegible]	[illegible]	[illegible]
Webcoind	146	[illegible]	[illegible]	[illegible]	[illegible]
WelGrd	130	[illegible]	[illegible]	[illegible]	[illegible]
WRT	182	[illegible]	[illegible]	[illegible]	[illegible]
WhtmE s	285	[illegible]	[illegible]	[illegible]	[illegible]
WilshTc	269	[illegible]	[illegible]	[illegible]	[illegible]
WinstRs	97	[illegible]	[illegible]	[illegible]	[illegible]
WirelssT s	576	[illegible]	[illegible]	[illegible]	[illegible]
WEB Bel n	300	[illegible]	[illegible]	[illegible]	[illegible]
WEB Jpn n	2533	[illegible]	[illegible]	[illegible]	[illegible]
WEB Sing n	622	[illegible]	[illegible]	[illegible]	[illegible]
XCL Ltd	9757	[illegible]	[illegible]	[illegible]	[illegible]
Xytron	184	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6569.36	6576.28	6537.46	6560.91	+14.23
Trans	2287.11	2293.28	2282.18	2287.48	+3.96
Util	234.28	236.82	233.93	235.95	+1.60
Comp	2058.49	2061.89	2052.43	2058.77	+5.38

Standard & Poors

	High	Low	Close	Chg.
Industrials	890.15	885.79	887.95	+0.92
Transp.	550.71	546.36	548.20	+1.84
Utilities	201.37	200.02	201.37	+1.35
Finance	84.54	83.82	84.13	+0.08
SP 500	758.75	754.82	756.79	+0.97
SP 100	738.13	734.64	736.64	+1.04

NYSE

	High	Low	Last	Chg.
Composite	398.52	397.07	398.10	+1.03
Industrials	502.35	499.76	500.86	+0.31
Transp.	356.77	354.64	355.65	+0.99
Utility	265.11	260.46	265.11	+4.65
Finance	358.56	356.76	357.71	+0.55

Nasdaq

	High	Low	Last	Chg.
Composite	1294.59	1291.60	1291.86	—2.71
Industrials	1101.64	1099.23	1100.84	+0.86
Banks	1268.32	1267.23	1267.55	+2.06
Insurance	1459.05	1450.70	1459.05	+10.41
Finance	1593.99	1590.50	1591.18	+2.68
Transp.	891.86	888.85	891.67	+0.49

AMEX

High	Low	Last	Chg.
584.18	580.63	581.93	—0.90

Dow Jones Bond

	Close	Chg.
20 Bonds	103.62	+0.06
10 Utilities	100.48	+0.14
10 Industrials	106.75	—0.04

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
CmpAsc s	178941	52	48⅛	48½	—13¼
AT&T s	42529	43¾	42¾	43¾	+¾
WstgEl	31146	19⅝	18¾	19⅝	+⅞
Iomega s	23356	17¾	17¼	17⅜	—¼
Motorola	22961	63	61⅛	61¾	—1½
K mart	21598	10⅝	10⅜	10½	+⅛
BellSo	21246	44⅛	41	44	+3⅛
Officmx s	19298	11	10⅝	10¾	+⅛
CocaCl s	18947	54⅛	53¼	54	+¾
PepsiCo s	18457	29⅝	29⅛	29⅝	+⅜
GTE	18339	46⅝	45⅝	46⅝	+⅞
ADT	17210	23	22¾	23	+⅛
WalMart	16985	24¼	23⅞	24⅛	+⅛
MicrnT	16732	31¼	30⅝	30⅞	—⅛
FordM	15325	32⅝	32	32⅜	—⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Araids	77065	3⅛	2½	3⅛	+⅝
Zitel s	50759	62	51⅞	61¼	+9⅛
TeleComA	49077	13⅛	12⅞	13	—⅛
WorldCm s	44861	25⅛	24⅝	24⅞	—⅛
Intel	41703	137⅛	134⅞	135¾	—1¼
Accestl n	31131	24⅞	20⅞	21½	+1⅛
DellCpt s	30343	56⅛	54	55⅛	+1⅛
ReddiBrk	29921	⅝	⅜	½	+⅛
Oracle s	29459	44⅛	42½	42⅞	—1⅛
3Com	28867	79	76¾	78⅛	+⅛
Novell	24361	9⅝	9½	9½	—⅛
Microsft s	23642	85⅞	84⅛	84⅛	—1⅛
Cisco s	23546	67	65⅝	65⅝	—1⅛
Informix	20883	21⅝	20⅞	21⅛	—⅛
BMC Soft s	20248	44½	41⅞	41⅞	—3

AMEX

	Vol.	High	Low	Last	Chg.
Hearx n	20090	3⅛	2⅞	3⅛	+⅛
ViacB	11842	36⅝	34⅞	35⅛	—1⅛
IvaxCp	10859	10⅛	10	10⅛	+⅛
XCL Ltd	9757	⅝	½	½	—
TWA	7570	7½	7⅛	7⅛	—⅛
EchoBay	6947	6⅝	6⅜	6⅜	—⅛
Nabors	6322	21⅛	20⅝	20⅞	+⅛
RoyalO g	4271	3⅝	3½	3⅝	—⅛
HanvDir	3998	⅛	⅛	⅛	—
Viac wtC	3818	⅛	⅛	⅛	—

Trading Activity

NYSE

	Close	Prev.
Advanced	1561	1616
Declined	901	854
Unchanged	844	846
Total issues	3306	3316
New Highs	168	161
New Lows	27	23

Nasdaq

	Close	Prev.
Advanced	1931	1907
Declined	1928	1934
Unchanged	1896	1916
Total issues	5755	5757
New Highs	160	141
New Lows	125	146

AMEX

	Close	Prev.
Advanced	278	276
Declined	261	251
Unchanged	212	198
Total issues	751	725
New Highs	33	29
New Lows	15	16

Market Sales

	Today Close	Prev. cons.
NYSE	252.47	319.78
Amex	17.88	22.05
Nasdaq	343.70	384.56

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Evergreen Util A	-	.278	12-26	12-27
Thai Capital	-	.57	12-31	1-17
INITIAL				
NB Capital Tr I	-	.147	12-30	12-31
REGULAR				
BkAtlantic Bn A	Q	.0405	1-3	1-17
BkAtlantic Bn B	Q	.0364	1-3	1-17
CBT Corp	Q	.13	1-3	1-27
Crazy Woman	-	.10	1-2	1-16
Interpool Inc	Q	.05	1-2	1-15
L&E Royalty	-	.054	1-6	1-15
Stratton Monthly	M	.16	1-2	1-10
SuburbFed Fin	Q	.08	1-2	1-16
Wolverine World	Q	.0267	1-2	2-3

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y - ex-dividend and sales in full.
yld - yield.
z - sales in full.

INTERNATIONAL FUTURES

Dec. 27, 1996

	High	Low	Close	Chge	OpInt
Grains					
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	2.68¾	2.64¼	2.64½	—0.02½	148,414
May 97	2.69¾	2.65½	2.65¾	—0.01¾	53,546
Jul 97	2.69¾	2.67¼	2.67½	—0.00¾	54,087
Sep 97	2.65	2.62¾	2.63		6,601
Dec 97	2.63¼	2.60¼	2.60½	—0.00¾	37,371
Est. sales N.A. Thu's. sales 30,556					
Thu's open int 303,357 up 1669					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jan 97	232.20	230.50	230.90		17,432
Mar 97	222.80	221.30	221.80	+0.60	31,307
May 97	216.80	215.20	215.80	+0.50	16,453
Jul 97	215.50	214.20	214.50	+0.10	11,154
Aug 97	213.50	212.80	213.10	—0.20	2,192
Sep 97	211.00	209.80	209.80	—0.20	1,986
Est. sales N.A. Thu's. sales 11,530					
Thu's open int 82,016 off 455					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Jan 97	23.06	22.80	22.86	—0.02	13,509
Mar 97	23.45	23.27	23.30		37,657
May 97	23.80	23.62	23.65	+0.07	14,092
Jul 97	24.08	23.90	23.97	+0.08	10,022
Aug 97	24.15	24.03	24.03	+0.04	2,043
Sep 97	24.20	24.13	24.13	+0.03	1,617
Est. sales N.A. Thu's. sales 11,140					
Thu's open int 80,836 up 398					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Jan 97	7.06	7.01	7.01½	—0.00½	27,166
Mar 97	7.02	6.95¾	6.96¼	+0.00¼	55,725
May 97	6.97½	6.92	6.92¾		26,899
Jul 97	6.97	6.92	6.93½	+0.01	24,447
Aug 97	6.93½	6.90½	6.90½	+0.00½	3,032
Est. sales N.A. Thu's. sales 25,399					
Thu's open int 148,841 up 6					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	3.96	3.89	3.89½	—0.04½	32,058
May 97	3.72	3.66½	3.67¼	—0.02¼	6,604
Jul 97	3.45½	3.41	3.41¾	—0.01¾	19,811
Sep 97	3.50	3.46½	3.46½		997
Est. sales N.A. Thu's. sales 6,059					
Thu's open int 60,193 up 764					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Feb 97	65.00	64.60	64.80	—0.22	32,836
Apr 97	65.62	65.25	65.42	—0.15	22,935
Jun 97	62.95	62.65	62.82		10,023
Aug 97	62.77	62.50	62.65		9,451
Oct 97	65.50	65.20	65.40	+0.05	5,959
Dec 97	66.95	66.75	66.85		2,000
Est. sales N.A. Thu's. sales 9,288					
Thu's open int 84,222 off 245					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 97	66.87	66.55	66.87	—0.08	3,410
Mar 97	67.10	66.75	67.05	—0.17	5,163
Apr 97	67.50	67.20	67.47	+0.02	2,019
May 97	67.80	67.40	67.80	—0.17	2,937
Aug 97	69.85	69.50	69.77	+0.02	2,094
Sep 97	69.55	69.30	69.50		341
Est. sales N.A. Thu's. sales 1,474					
Thu's open int 16,396 up 280					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Feb 97	78.00	76.60	77.50	+0.75	13,220
Apr 97	72.80	72.35	72.72	+0.30	5,900
Jun 97	75.45	75.00	75.22	+0.10	5,274
Jul 97	71.95	71.45	71.87	+0.22	1,357
Aug 97	67.90	67.40	67.87	+0.40	944
Oct 97	61.67	61.25	61.47	+0.07	804
Est. sales N.A. Thu's. sales 3,830					
Thu's open int 27,770 off 225					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	77.95	77.32	77.42	—0.53	4,398
Mar 97	77.65	76.90	77.85	—0.62	885
May 97	77.90	77.40	77.80	—0.40	642
Jul 97	77.50	75.90	76.15	—1.45	507
Aug 97	72.55	72.60	72.60	—0.45	138
Est. sales N.A. Thu's. sales 816					
Thu's open int 6,570 off 47					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1374	1361	1362	—4	31,583
May 97	1394	1385	1385	—3	13,496
Jul 97	1411	1411	1409	—3	10,342
Sep 97			1424	—3	6,897
Dec 97	1448	1447	1439	—3	1,588
Est. sales 2,515 Thu's. sales 2,693					
Thu's open int 81,306					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	117.50	113.20	116.30	+1.45	14,774
May 97	114.80	111.00	112.55	+1.25	4,429
Jul 97	113.30	109.20	112.10	+1.40	2,152
Sep 97	109.00	108.10	110.45	+1.55	1,596
Est. sales 9,454 Thu's. sales 4,672					
Thu's open int 28,380					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.90	10.73	10.89	+0.16	75,161
May 97	10.92	10.79	10.91	+0.11	31,322
Jul 97	10.90	10.76	10.89	+0.12	24,115
Oct 97	10.88	10.76	10.88	+0.12	13,629
Est. sales 20,834 Thu's. sales 1,875					
Thu's open int 149,559					

	High	Low	Close	Chge	OpInt
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jan 97	83.60	78.00	78.10	—4.30	6,004
Mar 97	87.00	81.85	81.85	—4.00	16,396
May 97	90.50	85.50	85.50	—4.00	3,961
Jul 97	93.25	89.80	89.00	—3.80	906
Est. sales N.A. Thu's. sales 3,299					
Thu's open int 27,649 up 176					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Dec 96	370.50	369.00	369.80	—0.10	111
Jan 97			370.20	—0.20	
Feb 97	371.70	370.80	371.10		89,947
Apr 97	373.90	373.10	373.30		23,048
Jun 97	376.00	375.50	375.70		16,741
Aug 97	378.70	378.70	378.10		5,455
Oct 97	380.80	380.60	380.60		2,351
Dec 97	383.30	383.20	383.10		14,360
Est. sales N.A. Thu's. sales 4,341					
Thu's open int 186,299 up 112					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Dec 96	102.50	100.70	102.60	—0.10	1,386
Jan 97	102.40	100.70	101.50	—0.55	5,343
Feb 97	100.10	99.10	100.10	—0.80	1,581
Mar 97	100.30	97.90	98.60	—1.10	28,947
Apr 97	98.00	97.00	97.35	—1.15	959
May 97	97.20	95.80	96.10	—0.90	4,342
Jun 97			95.55	—0.80	763
Jul 97	95.05	94.80	94.50	—0.80	3,583
Aug 97	95.80	95.00	93.75	—0.80	574
Est. sales N.A. Thu's. sales 4,487					
Thu's open int 58,477 off 75					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Dec 96	488.5	486.0	486.7	—1.2	68
Jan 97	488.5	488.5	486.7	—1.3	11
Feb 97	487.0	487.0	488.0	—1.3	2
Mar 97	494.5	490.8	491.3	—1.5	54,265
May 97	498.5	494.5	495.9	—1.5	9,377
Jul 97	502.0	500.5	500.4	—1.5	8,324
Sep 97			505.0	—1.5	3,010
Dec 97	514.0	514.0	511.8	—1.5	4,724
Est. sales N.A. Thu's. sales 5,769					
Thu's open int 81,846 off 45					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 97	374.00	372.00	372.90	—0.10	5,116
Apr 97	375.80	374.00	375.10		16,377
Jul 97			377.80		2,037
Oct 97	380.50	380.50	380.50		2,084
Jan 98	384.00	384.00	383.20		1,025
Est. sales N.A. Thu's. sales 2,677					
Thu's open int 26,639 off 171					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1524½	1525.00	1523.00	1522½
Forward	1554.00	1555.00	1553.00	1554.00
Copper Cathodes (High Grade)				
Spot	2259.00	2260.00	2231.00	2232.00
Forward	2162.00	2163.00	2134.00	2135.00
Lead				
Spot	715.00	715½	717.00	718.00
Forward	715.00	717.00	721.00	722.00
Nickel				
Spot	6390.00	6400.00	6435.00	6440.00
Forward	6495.00	6500.00	6530.00	6535.00
Tin				
Spot	5710.00	5711.00	5710.00	5720.00
Forward	5770.00	5775.00	5765.00	5767.00
Zinc (Special High Grade)				
Spot	1054.00	1055.00	1049½	1050.00
Forward	1076½	1077.00	1070.00	1070½

	High	Low	Close	Chge	OpInt
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	94.98	94.96	94.98	+0.02	3,919
Jun 97	94.87	94.86	94.86		2,320
Sep 97			94.75	+0.01	29
Est. sales N.A. Thu's. sales 21					
Thu's open int 6,271 up 6					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	107-04	106-28	107-03	+ 06	146,454
Jun 97			106-26	+ 06	2,706
Est. sales 10,000 Thu's. sales 2,730					
Thu's open int 151,609 off 600					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 96			108-18	+ 10	10,569
Mar 97	110-01	109-19	109-30	+ 10	281,332
Jun 97	109-12	109-06	109-11	+ 10	10,446
Est. sales 25,000 Thu's. sales 6,322					
Thu's open int 299,567 up 617					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	114-01	113-11	113-30	+ 19	429,757
Jun 97	113-16	113-05	113-14	+ 19	15,441
Sep 97			113-00	+ 20	5,116
Dec 97	112-19	112-17	112-18	+ 20	3,782
Est. sales 100,000 Thu's. sales 28,918					
Thu's open int 462,140 off 72					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar97	100.72	100.63	100.67	— 0.05	220,744
Jun97	N.T.	N.T.	99.80	— 0.05	0
Est. sales: 5,963. Prev. sales: 3,402					
Prev. open int.: 220,993 up 434					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec96	110-28	110-26	110-26	— 0-01	3,164
Mar97	110-05	109-28	110-01	+ 0-01	131,050
Jun97	N.T.	N.T.	109-11	+ 0-01	0
Est. sales: 4,676. Prev. sales: 6,271					
Prev. open int.: 134,206 off 540					

	High	Low	Close	Chge	OpInt
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	129.00	128.86	129.00	+0.10	122,143
Jun 97	127.62	127.60	127.70	+0.10	8,696
Sep 97	125.60	125.60	125.70	+0.10	0
Dec 97	N.T.	N.T.	95.20	+0.10	0
Est. volume: 8,694. Open int.: 179,738 up 41,074.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar97	128.36	128.00	128.25	— 0.05	87,559
Jun97	N.T.	N.T.	127.77	— 0.05	
Est. sales: 4,126. Prev. sales: 2,872					
Prev. open int.: 88,659 off 790					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Jan 97	94.500	94.480	94.480		21,624
Feb 97	94.480	94.470	94.480	+10	4,485
Mar 97	94.480	94.450	94.470	+20	411,220
Jun 97	94.340	94.310	94.330	+20	322,007
Mar 00	93.450	93.410	93.440	+30	38,658
Jun 00	93.380	93.330	93.380	+30	35,866
Sep 00	93.350	93.310	93.340	+30	31,888
Dec 00	93.270	93.250	93.260	+30	25,321
Est. sales N.A. Thu's. sales 26,738					
Thu's open int 2,654,466 up 689					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 97	1.6926	1.6706	1.6918	+218	25,813
Jun 97	1.6890	1.6750	1.6870	+210	2,167
Sep 97			1.6822	+208	1,027
Dec 97			1.6774	+204	7
Est. sales N.A. Thu's. sales 1,290					
Thu's open int 29,014 up 113					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7377	.7335	.7350	—26	48,083
Jun 97	.7403	.7380	.7390	—25	11,283
Sep 97	.7430	.7417	.7425	—24	3,631
Dec 97	.7464	.7437	.7458	—23	440
Est. sales N.A. Thu's. sales 938					
Thu's open int 63,644 up 460					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Dec 96			.6501	—1	17
Mar 97	.6468	.6443	.6464	—1	47,694
Jun 97	.6496	.6482	.6503	—1	4,380
Sep 97			.6542	—1	1,893
Est. sales N.A. Thu's. sales 3,988					
Thu's open int 53,784 off 108					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Dec 96			.009092	—56	7
Mar 97	.008803	.008690	.008750	—53	53,888
Jun 97	.008867	.008813	.008863	—54	1,446
Est. sales N.A. Thu's. sales 5,727					
Thu's open int 55,438 up 792					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.7500	.7452	.7465	—38	43,712
Jun 97	.7540	.7517	.7533	—38	7,376
Sep 97			.7601	—38	1,800
Est. sales N.A. Thu's. sales 2,387					
Thu's open int 47,088 off 373					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar97	93.30	93.29	93.29	— 0.02	97,073
Jun97	93.08	93.05	93.06	Unch.	86,650
Sep97	92.89	92.88	92.89	Unch.	57,248
Dec97	92.72	92.70	92.78	— 0.01	43,123
Mar98	92.61	92.59	92.59	— 0.01	32,785
Jun98	92.52	92.51	92.51	— 0.01	21,071
Sep98	N.T.	N.T.	92.43	Unch.	18,484
Dec98	N.T.	N.T.	92.34	+ 0.01	16,415
Mar99	92.29	92.29	92.29	+ 0.03	7,968
Jun99	92.19	92.19	92.19	+ 0.03	5,416
Sep99	N.T.	N.T.	92.15	+ 0.02	4,492
Dec99	N.T.	N.T.	92.12	+ 0.02	162
Est. sales: 5,170. Prev. sales: 5,959					
Prev. open int.: 392,887 off 1,555					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Mar97	96.88	96.86	96.87	+ 0.01	257,994
Jun97	96.82	96.80	96.82	+ 0.01	149,153
Sep97	96.69	96.67	96.68	+ 0.01	
Dec97	96.49	96.48	96.49	+ 0.01	
Mar98	96.27	96.27	96.27	Unch.	
Jun98	96.01	95.99	95.99	Unch.	
Sep98	95.72	95.71	95.71	+ 0.01	
Dec98	95.40	95.40	95.41	+ 0.02	
Mar99	N.T.	N.T.	95.13	+ 0.01	
Jun99	N.T.	N.T.	94.85	+ 0.01	
Sep99	N.T.	N.T.	94.59	+ 0.01	
Dec99	94.32	94.32	94.32	+ 0.02	1,385
Est. sales: 10,066. Prev. sales: 8,022					
Prev. open int.: 978,993 off 4,224					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	93.48	93.37	93.46	— 0.02	94,637
Jun97	93.86	93.83	93.84	— 0.01	53,564
Sep97	94.04	94.01	94.03	+ 0.01	29,808
Dec97	94.07	94.04	94.04	+ 0.02	15,756
Mar98	94.05	94.05	94.02	+ 0.02	
Jun98	93.99	93.99	93.96	+ 0.01	2,203
Est. sales: 3,024. Prev. sales: 1,595					
Prev. open int.: 77,878 off 158					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.69	96.67	96.68	+0.00	68,342
Jun 97	96.68	96.65	96.66	+0.00	35,052
Sep 97	96.61	96.59	96.61	+0.01	27,064
Dec 97	96.53	96.51	96.53	+0.01	19,390
Mar 98	96.38	96.37	96.38	+0.00	14,900
Sep 98	95.90	95.90	95.90	— 0.01	11,222
Dec 98	95.62	95.62	95.62	+0.00	8,313
Mar 99	N.T.	N.T.	95.32	+0.00	11,164
Jun 99	N.T.	N.T.	95.03	+0.00	5,024
Sep 99	N.T.	N.T.	94.75	— 0.02	2,255
Est. volume: 1,033. Open int.: 214,284 off 249					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 97	75.60	75.04	75.07	—0.46	33,098
May 97	74.75	74.30	74.38	—0.36	12,569
Jul 97	77.60	77.20	77.30	—0.30	7,745
Oct 97	77.85	76.95	77.10	—0.20	1,272
Dec 97	77.80	76.75	76.97	—0.25	9,751
Mar 98	78.00	78.00	78.00	+0.25	485
Est. sales N.A. Thu's. sales 2,564					
Thu's open int 55,299 off 112					

	High	Low	Close	Chge	OpInt
HEATING OIL (NMER) 42,000 gal- cents per gal					
Jan 97	71.25	70.10	70.55	+0.40	17,546
Feb 97	70.98	69.85	70.12	+0.45	34,753
Mar 97	68.55	68.15	68.18	+0.58	13,756
Apr 97	65.30	64.50	64.78	+0.60	8,476
May 97	62.10	61.70	61.78	+0.65	4,192
Jun 97	60.00	59.65	59.73	+0.65	5,050
Jul 97	59.20	58.90	58.93	+0.65	2,729
Aug 97			58.98	+0.65	3,286
Sep 97			59.28	+0.65	2,869
Oct 97	59.00	59.00	59.53	+0.65	1,779
Est. sales N.A. Thu's. sales 28,512					
Thu's open int 103,820 off 803					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Feb 97	25.38	24.94	25.22	+0.30	105,365
Mar 97	24.70	24.18	24.55	+0.28	37,409
Apr 97	23.94	22.80	22.89	+0.27	23,119
May 97	23.35	23.25	23.27	+0.27	17,950
Jun 97	22.74	22.44	22.68	+0.27	27,100
Jul 97	22.16	22.10	22.17	+0.27	14,573
Aug 97	21.67	21.82	21.71	+0.26	13,095
Sep 97	21.28	21.28	21.28	+0.25	12,473
Oct 97	20.85	20.85	20.88	+0.24	8,507
Nov 97	20.55	20.55	20.55	+0.23	8,369
Dec 97	20.37	20.25	20.29	+0.22	24,880
Jan 98			20.08	+0.23	7,785
Feb 98			19.89	+0.23	5,187
Est. sales N.A. Thu's. sales 21,846					
Thu's open int 355,022 up 1192					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Feb 97	3.270	2.960	2.984	—400	35,712
Mar 97	2.998	2.650	2.680	—320	18,497
Apr 97	2.465	2.340	2.340	—150	11,422
May 97	2.220	2.142	2.142	—150	8,205
Jun 97	2.170	2.070	2.090	—105	7,919
Jul 97	2.160	2.060	2.085	—95	7,131
Aug 97	2.160	2.070	2.085	—80	6,485
Sep 97	2.160	2.070	2.090	—80	6,214
Oct 97	2.128	2.080	2.110	—65	6,445
Nov 97	2.225	2.210	2.205	—60	3,464
Dec 97	2.320	2.280	2.290	—60	6,322
Est. sales N.A. Thu's. sales 19,849					
Thu's open int 146,733 off 4118					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Jan 97	70.35	69.50	69.74	+0.23	12,030
Feb 97	69.65	69.15	69.36	+0.28	27,097
Mar 97	69.40	68.85	68.86	+0.18	11,672
Apr 97	70.50	70.10	70.25	+0.07	5,189
May 97	69.70	69.65	69.54	+0.01	3,369
Jun 97	69.25	68.25	68.19	—0.09	3,277
Est. sales N.A. Thu's. sales 73,664					
Thu's open int 64,436 off 1577					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Jan 97	218.75	216.50	217.00	+1.50	21,161
Feb 97	217.75	215.50	215.50	+0.75	19,655
Mar 97	210.50	207.25	208.00	—0.25	8,369
Apr 97	N.T.	N.T.	199.25	—0.25	6,782
May 97	N.T.	N.T.	193.00	—0.25	3,217
Jun 97	190.50	188.50	187.75	—0.25	7,427
Jul 97	N.T.	N.T.	186.25	—0.50	2,517
Aug 97	N.T.	N.T.	185.50	—0.50	890
Sept 97	N.T.	N.T.	184.75	—0.50	509
Oct 97	N.T.	N.T.	184.25	—0.50	841
Nov 97	N.T.	N.T.	184.00	—0.50	67
Est. sales:14,000. Open int.: 73,572 up 760					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	766.40	761.20	763.00	—1.60	184,807
Jun 97	772.50	767.90	770.00	—1.10	5,487
Sep 97		774.50	775.20	—2.75	1,452
Dec 97	786.15	782.50	782.50	—3.45	285
Est. sales N.A. Thu's. sales 24,750					
Thu's open int 191,286 up 1803					
FTSE 100 (LIFFE) £25 per index point					
Mar97	4105.0	4078.0	4099.0	+ 16.0	53,266
Jun97	N.T	N.T	4121.0	+ 16.0	2,504
Est. sales: 2,437. Prev. sales: 1,338					
Prev. open int.: 55,660 off 149					
CAC 40 (MATIF) FF200 per index point					
Dec 96	2312.0	2288.0	2304.0	+17.00	20,325
Jan 97	2314.5	2293.5	2308.5	+17.00	11,129
Feb 97	2319.0	2302.0	2313.0	+17.00	2,466
Mar 97	2325.0	2303.5	2319.0	+17.00	13,554
Jun 97	N.T.	N.T.	2288.0	+17.00	358
Sep 97	N.T.	N.T.	2291.5	+17.00	6,320
Mar 98	N.T.	N.T.	2327.0	+17.00	4,668
Sep 98	N.T.	N.T.	2303.5	+17.00	666
Est. volume: 13,358. Open int.: 59,493 up 1,099.					

Commodity Indexes

	Close	Previous
Moody's	1,429.50	1,428.80
Reuters	1,876.20	1,874.20
D.J. Futures	147.30	147.16
CRB	240.25	241.95

Spot Commodities

	Today	Prev.
Aluminum, lb	n.q.	0.497
Copper electrolytic, lb	1.06	1.06
Iron FOB, ton	167.00	167.00
Lead, lb	0.50	0.50
Silver, troy oz	4.87	4.85
Steel (scrap), ton	109.17	109.17
Tin, lb	n.q.	3.8949
Zinc, lb	0.5311	0.5311

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

EUROPE

Mercedes Will Post Profit Gain

Firm Says Cost Cuts and Strong Sales Led It to Goal

Compiled by Our Staff From Dispatches

STUTTGART — Mercedes-Benz AG, the luxury car, truck and bus unit of Daimler-Benz AG, said Friday that 1996 operating profit would be above 1995's level, thanks to cost-cutting and record sales.

"For this year, we resolved to reach a profit level that, despite the high costs of broadening our company base, should be above the previous year's," said Helmut Werner, Mercedes' chief executive. "We can already determine today that these plans have been realized."

Mercedes had net profit of 2.28 billion Deutsche marks ($1.46 billion) last year and operating profit of 2.296 billion DM.

Mercedes said sales this year would be 77 billion DM, up from 72 billion DM last year.

For the first time in its history, Mercedes-Benz sold more than 640,000 passenger cars, more than 370,000 of which were exported. Last year it sold 590,200 cars.

Mercedes attributed the sharp rise in sales to the success of its E-class car, which has become the group's biggest seller. With more models planned for 1997, Mercedes expects to set records for revenue and unit sales next year, Mr. Werner said.

"Mercedes-Benz is clearly on course for growth and success," Mr. Werner said. Shares of the parent company, Daimler-Benz, rose on the sales figures and profit predictions, closing in Frankfurt at 103.65 DM, up 1.05.

"The big surprise is how well sales have gone this year," said Juergen Giese, chief analyst at Georg Hauck & Sohn Bankiers. "It's astounding that 1996 turned into a good year for the auto industry, because at the beginning everyone was very pessimistic."

For 1997, Mercedes plans to introduce the compact A Class, the CLK coupe and the M-Class off-road vehicle. The company also plans new light trucks and buses and new Freightliner truck models in the United States.

"Mercedes-Benz has set as its goal to become the No. 1 in innovation, quality and profit in the worldwide auto industry," Mr. Werner said. "1997 will be an important step on the way there."

Mercedes-Benz said that in addition to its "product and production offensive," it was concentrating on globalization and especially on the Asian and South American markets.

From the spring of 1999 onward, the new A-class car will be sold in Argentina, Brazil, Chile, Paraguay and Uruguay from the group's new factory in Brazil, the company said.

Mercedes said its commercial-vehicle sales reached 345,000 units in 1996, up from 320,100 in 1995, with domestic commercial-vehicle sales around 86,000, up from 85,300.

Commercial-vehicle sales were led by foreign demand, with sales in Western Europe outside Germany rising to about 105,000 trucks, vans and buses from 82,700 in 1995. Domestic commercial-vehicle sales rose to 86,000 from 85,300.

Freightliner heavy truck sales in the United States are expected to total 77,000 units, or around last year's level, representing a market share of almost 30 percent, up from 26 percent in 1995.

Mercedes-Benz said it had invested around 4 billion DM in fixed assets in 1996, a large portion of which was invested at its headquarters in Stuttgart.

(Bloomberg, AFP, AP)

Germans Are Urged To Shun Overtime

Reuters

BONN — Germans should work fewer overtime hours in the interest of creating more jobs, the president of the Federal Labor Office, Bernhard Jagoda, said Friday.

German workers posted a record 2 billion hours of overtime in 1996. "That was much too much," Mr. Jagoda said in an interview with the Stuttgarter Nachrichten newspaper.

High unemployment, which hovered around Germany's post-unification record of 4 million throughout 1996, remains the country's most pressing political problem.

Ursula Engelen-Kefer, deputy chairman of the DGB trade unions association, said 370,000 jobs could be created if overtime were reduced by 40 percent.

"Converting overtime to jobs wouldn't cost employers more money," she said in an interview on radio. She added that she still thought it possible to meet the goal of cutting Germany's unemployment in half by 2000. Mr. Jagoda said that too many jobs, particularly in the commercial sector, were performed by workers who earned less than 590 Deutsche marks ($380) a month, the minimum for paying social security fees. This strains the social security system, he said.

"If the new shop opening hours law leads only to the creation of more 590 DM jobs," he said, "that is a big mistake."

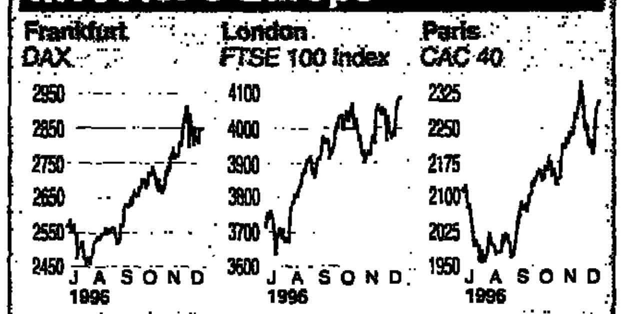
Germany recently changed its laws to allow shops to stay open longer, but most retailers are spreading their work forces thinner rather than taking on additional employees.

Mr. Jagoda said employers should make more use of part-time workers who can work flexible hours.

Some 3.9 million Germans were looking for work in November, an increase from 3.6 million a year earlier.

Economists principally blame high payroll costs and inflexible work rules for deterring hiring.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	EOE	639.09	633.95	+0.81
Brussels	BEL-20	1,893.27	1,878.38	+0.79
Frankfurt	DAX	2,852.88	2,845.57	+0.26
Copenhagen	Stock Market	468.17	466.23	+0.42
Helsinki	HEX General	2,481.97	2,461.75	+0.82
Oslo	OBX	528.80	518.69	+1.95
London	FTSE 100	4,091.80	4,092.50	-0.04
Madrid	Stock Exchange	440.51	440.06	+0.10
Milan	MIBTEL	10,581.00	10,487.00	+0.13
Paris	CAC 40	2,306.95	2,303.75	+0.14
Stockholm	SX 16	2,493.80	2,358.30	+5.75
Vienna	ATX	1,142.85	1,123.74	+1.70
Zurich	SPI	2,501.08	2,472.69	+1.15

Source: Telekurs — International Herald Tribune

Very briefly:

• **Creditanstalt-Bankverein AG**'s bidders have been given more time to improve their offers to buy the second-largest Austrian bank. The Finance Ministry reopened the tender and set a new deadline for Jan. 10.

• **Munich Re AG**, the world's largest reinsurer, said natural catastrophes caused $60 billion of damage in 1996, although insurers only paid out about $9 billion. Much of the damage, however, such as that from floods in China last summer, was not insured. Insurers covered only 2 percent of the $20 billion of damage from those floods, or $400 million.

• **Thyssen Stahl AG**'s capacity utilization improved in the final months of the year that ended Sept. 30 as production returned to normal levels after months of curtailed output and shortened working hours.

• **Telecom Italia SpA** must pay 4 billion lire ($2.6 million) in damages to a rival, **Telsystem SpA**, for abusing its dominant market position, a Milan appeals court ruled. It was the first time an Italian court had awarded damages for abuse of a dominant position.

• **Cassa di Risparmio delle Province Lombarde SpA**, Italy's largest savings bank, said it had cut its prime rate from 10 percent to 9.50 percent; the rate reduction is to take effect Wednesday.

• **The Bank of Israel**'s director, Jacob Frenkel, criticized the government's decision to raise taxes on imported cigarettes and gasoline to try to reduce the budget deficit.

• **Volvo AB** said its talks with **Mitsubishi Motors Corp.** to strengthen their relationship would center on expanding cooperation in the area of heavy trucks.

• **Spain** approved a 3 percent cut in average electricity prices next year, a move aimed mainly at helping small and medium-sized enterprises.

Bloomberg, Reuters, AP, AFX

VIAG Lifts Stake In Munich Bank

Bloomberg Business News

MUNICH — VIAG AG said Friday it had raised its stake in Bayerische Vereinsbank AG to 10.24 percent, describing the stake as an investment rather than a strategic holding.

The stake is owned through VIAG's Bayernwerk AG unit, the utility company said. German regulators put VIAG's stake in the Munich-based bank at 7.2 percent as of Sept. 30.

VIAG was already the bank's second-largest shareholder, behind Bayerische Landesstiftung, a foundation, and ahead of the insurer Munich Re and Deutsche Bank AG, which each hold about 5 percent.

VIAG said the stake was a way of investing money that Bayernwerk held in reserve for its nuclear-energy operations. It said it did not expect to raise the stake further.

Spanish Parliament Approves Austerity Budget

Compiled by Our Staff From Dispatches

MADRID — Parliament approved the government's 1997 austerity budget Friday, with Prime Minister Jose Maria Aznar drawing on the support of regional parties to overcome Socialist opposition.

Relying on spending and wage freezes, the budget calls for reducing the deficit to 3 percent of gross domestic product in 1997, down from an estimated 4.4 percent in 1996. That would allow Spain to qualify for European Monetary Union.

Catalonia's Convergence and Union, the Basque National Party and the Canary Islands coalition added their 25 votes to the 156 seats held by Mr. Aznar's Popular Party to pass the budget.

Fernando Lopez-Amor, spokesman for the Popular Party, said amendments would increase the deficit by 11.3 billion pesetas ($850 million). He added, however, that the budget would allow Spain to enter monetary union with the first wave of countries.

Mr. Lopez-Amor said the spending increase was "insignificant" with respect to the government's goal of cutting the deficit to 3 percent of GDP next year to meet one of the criteria in the Maastricht treaty.

The budget is the most austere in the history of Spanish democracy, and the spokesman said it "puts an end to the cycle of the administration living beyond its means, the deficit rising and the result being higher tax pressure."

Thousands of union members participated in a strike Dec. 11 to protest the budget's public sector wage freeze.

The budget is the first approved by the conservative government, which took office following elections last March. The previous government, led by Prime Minister Felipe Gonzalez, could not summon the votes to pass its 1996 budget a year ago, and the 1995 budget was adjusted through a series of royal decrees to cover 1996 spending.

(AP, AFP)

Russia Calls an Accord With De Beers 'Essential'

Reuters

MOSCOW — Finance Minister Alexander Livshits said Friday that Moscow believed a deal on diamond exports with the South African company De Beers was "essential" and could be signed next year.

Mr. Livshits last week suggested amendments to a draft agreement under which Russia would continue to sell the bulk of its $1.3 billion in rough diamond exports through the De Beers marketing arm, the Central Selling Organization.

The three-year agreement would replace an interim accord reached in February 1995. De Beers has given the Russian government until the end of 1996 to approve the draft.

"Russia realizes that such an agreement is essential," Mr. Livshits told the Itar-Tass news agency. "It could be signed in 1997." The temporary accord called for Russia to sell 95 percent of its rough diamonds through the Central Selling Organization. But De Beers said Russia had not adhered to the pact.

The Trib Index

Closing prices.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	149.03	+0.57	+0.38	+13.01
Regional Indexes				
Asia/Pacific	123.18	+0.21	+0.17	-8.25
Europe	158.64	+1.29	+0.82	+13.98
N. America	165.25	-0.03	-0.02	+28.82
S. America	113.99	+0.54	+0.48	+28.02
Industrial Indexes				
Capital goods	172.71	-0.69	-0.40	+29.97
Consumer goods	161.60	+1.19	+0.74	+17.04
Energy	170.29	+0.65	+0.38	+25.56
Finance	115.79	+0.16	+0.14	-8.99
Miscellaneous	161.00	+0.65	+0.41	+18.55
Raw Materials	174.29	+0.29	+0.17	+22.81
Service	137.50	+1.19	+0.87	+14.58
Utilities	141.98	+0.69	+0.49	+11.67

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. — *Compiled by Bloomberg Business News.*

WORLD STOCK MARKETS

Friday, Dec. 27
Prices in local currencies. Telekurs

Amsterdam
EOE Index: 639.09 Previous: 633.95

	High	Low	Close	Prev.
ABN-AMRO	112.50	111	111.50	110.70
Aegon	100.20	98.70	99.20	99
Ahold	108.50	107.40	108	107.50
Akzo Nobel	235.30	234	234.60	233.50
Baan Co.	59.30	58	58.70	58.70
Bols Wess cva	31.80	31.50	31.70	31.40
CSM cva	95.40	94.70	95.40	94.90
Dordtsche Pet	319.50	316.10	319	315
DSM	169.80	167.10	169.20	167.50
Elsevier	29.20	28.80	29.10	28.80
Fortis Amev	59.90	59	59.70	59
Getronics	46.80	46.10	46.80	46.40
G-Broc cva	53.40	52.20	53.40	52.80
Hagemeyer	139.70	136.70	136.70	139
Heineken	304	300.10	303.20	300.90
Hoogovens cva	72.70	71.70	71.90	72
Hunt Douglas	117.10	116	116	117
ING Group	61.40	60.50	61.30	60.50
KLM	49.10	48.30	48.80	48.10
KNP BT	37.80	36	36.80	35.50
KPN	65.70	65.10	65.40	65.30
Nedlloyd Gp	47	46.40	46.70	46.80
Nutricia	263	260.80	262	261.90
Oce Grinten	188	185.50	186.50	186
Philips Elec	70.60	69.90	70	69.70
Polygram	86	84.90	85.50	85.30
Randstad Hdg	127	124.10	124.60	127.50
Robeco	142.90	142.60	142.60	141.80
Rodamco	49.90	49.60	49.80	49.90
Rolinco	148.80	148.50	148.50	147.40
Rorento	106.10	105.70	105.70	105.70
Royal Dutch	302	297.90	301.20	296.50
Unilever cva	304.50	302.50	303.20	302.50
Vendex Intl	73.90	72.50	72.60	72.90
VNU	35.50	34.80	35.20	34.80
Wolters Kl cva	231	225.30	229.50	225.30

Bangkok
SET Index: 835.71 Previous: 826.48

	High	Low	Close	Prev.
Adv Info Svc	244	226	236	230
Bangkok Bk F	256	250	250	258
Krung Thai Bk	51.50	49.75	51.50	50
PTT Explor	390	364	390	362
Siam Cement F	792	784	792	792
Siam Com Bk F	188	183	187	187
Telecomasia	54	52	54	53
Thai Airways	39.50	35.50	37.50	38.25
Thai Farm Bk F	160	157	158	158
Utd Comm	175	167	167	170

Market Closed

The Bombay Stock market was closed friday for a holiday.

Brussels
BEL-20 Index: 1893.27 Previous: 1878.38

	High	Low	Close	Prev.
Almanij	10475	10400	10475	10425
Barco Ind	5500	5470	5500	5490
BBL	6750	6650	6750	6650
Bekaert	19875	19600	19700	19725
CBR	2845	2805	2835	2830
CNP	2000	2000	2000	1945
Cobepa	1206	1198	1206	1204
Cockerill	116	114	116	114
Colruyt	14675	14500	14600	14250
Delhaize Lion	1900	1875	1885	1880
Electrabel	7620	7560	7570	7610
Electrafina	3005	2980	3005	2995
Fortis AG	5050	5000	5050	4990
Gevaert	2150	2080	2150	2100
GIB	1448	1410	1434	1420
GBL	4095	4065	4065	4095
Gen Banque	11500	11300	11475	11325
Kredietbank	10300	10100	10300	10175
Petrofina	10250	10150	10250	10200
Powerfin	4795	4760	4795	4750
Royale Belge	6580	6470	6580	6460
Soc Gen Belg	2475	2425	2470	2425
Solvay	19550	19400	19550	19450
Tractebel	14750	14650	14750	14650
UCB	83000	80600	82100	80500
Union Miniere	2140	2120	2125	2130

Copenhagen
Stock Index: 468.17 Previous: 466.23

	High	Low	Close	Prev.
BG Bank	277	273	275	274
Carlsberg B	392	385.39	391	387
Codan	795	790	790	790
Danisco	362	338.50	357	354
Den Danske Bk	469.47	453.30	466	468
D/S Svendborg B	218500	218500	218500	217500
D/S 1912 B	150000	150000	150000	149500
FLS Ind B	755	742	750	750
Kob Lufthavne	610	600	605	605
Novo Nordisk B	1070	1040	1070	1040
Sophus Ber B	757	749	754	757
Tele Danmark B	318.32	313	317	317
Tryg Baltica	301	295	300	298
Unidanmark A	306	297	305	304

Frankfurt
DAX: 2852.88 Previous: 2845.57

	High	Low	Close	Prev.
AMB B	985	985	985	1000
Adidas	131	130.50	130.20	133
Allianz Hdg	2771	2763	2763	2777
Altana	1200	1197.50	1199	1200
Bk Berlin	28.30	27.90	28.10	27.70
BASF	58.95	58.40	58.95	58.70
Bayer-Hypo Bk	46.85	45.90	45.90	45.95
Bay.Vereinsbank	63.70	62.48	62.55	63.80
Bayer	61.65	60.87	61.55	60.80
Beiersdorf	75	74	74.60	76.50
BMW	1063	1052	1052	1085
Commerzbank	39.10	38.85	38.85	38.80
Daimler Benz	103.85	103.10	103.65	102.60
Degussa	694	625	683	690
Deutsche Bank	71.65	70.85	71.65	71.35
Dt Telekom	32.40	32.38	32.39	32.40
Dresdner Bank	45.55	45.45	45.50	45.35
Fresenius	309.50	305.50	309.50	309.50
Fresenius Med	129.40	128	129	132.30
Fried. Krupp	248.50	244	244.50	243
Gehe	97.50	96	96	97.60
Heidelbg Zmt	121.50	121.50	123	123
Henkel pfd	75.30	74	74.25	75.20
Hochtief	60	58.90	58.90	61
Hoechst	71.10	70.60	70.95	70.48
Karstadt	521	515	515	515
Linde	930	923	923	926
Lufthansa	20.85	20.70	20.70	20.70
MAN	369	365	366.50	366
Mannesmann	660	656	656.50	655
Metallgesellschaft	31.50	31.30	31.50	31.48
Metro	123	120.50	120.50	121.50
Munch Rueck R	3803	3760	3765	3783
Preussag	344	339.50	340	341
RWE	64.90	64.40	64.75	64.20
SAP pfd	214.80	213	213	215
Schering	129.85	128	129	130.10
Siemens	71.84	71.52	71.80	71.42
Thyssen	273	272	272.50	268.80
Veba	88.20	86.90	86.95	88.37
VEW	509	504	504	509
Viag	604.50	604	604	598.10
Volkswagen	637	635	637	633

Helsinki
HEX General Index: 2481.97 Previous: 2461.75

	High	Low	Close	Prev.
Cultor 1	270	245	250	245
Enso A	36.50	36	36.30	36
Huhtamaki I	213	213	213	214
Kemira	58.50	57.90	58	58
Kesko	64.90	64	64.50	63.10
Merita A	14.50	14.20	14.40	14.20
Metra B	257.90	256.50	257	258
Metso-Serla B	35	34.50	35	35
Neste	112	110.10	112	112.70
Nokia A	266	263.90	265.90	262.50
Orion-Yhtymae	176	169	174	169
Outokumpu A	78	77.50	77.60	78
Rautaruukki	43	42.30	42.50	42.50
Sampo Insur	365	347	364	348
UPM-Kymmene	95	94.50	95	94.50
Valmet	81	80	80.90	80.30

Hong Kong
Hang Seng: 13404.14 Previous: 13341.61

	High	Low	Close	Prev.
Amoy Props	11.25	11.10	11.25	11.05
Bk East Asia	34.50	34.20	34.30	34.20
Cathay Pacific	12.30	12	12.05	12.30
Cheung Kong	70	68	69.50	68.75
CK Infrastruct	19.95	19.40	19.70	19.35
China Light	33.60	33.20	33.40	33.60
China Gas Ld	3.60	3.50	3.58	3.50
China Res Ent	15.50	14.55	15.50	14.50
Chin Estates	8.85	8.70	8.80	8.60
Citic Pacific	43.90	42.30	42.50	42.20
Cons.Elec Pwr	18.15	18.15	18.15	18.10
Cosco Pacific	8.35	8.05	8.30	8.10
Dao Heng Bk	36.20	35.80	36.10	36.20
First Pacific	9.85	9.50	9.80	9.55
Great Eagle	32.80	32.40	32.80	32.30
Guangdong Inv	6.55	6.30	6.50	6.30
Guoco Group	42.90	42.50	42.90	42.20
Hang Lung Dev	17.15	16.95	17	16.95
Hang Seng Bk	93.50	92.25	92.25	93
Henderson Inv	9.35	9.25	9.30	9.35
Henderson Ld	76.50	75.75	76.25	75.75
HKR Intl	12.45	12.15	12.35	12.10
HK China Gas	15	14.95	15	15
HK Electric	25.90	25.75	25.75	25.95
HK Shang Htls	14.70	14.60	14.70	14.65
HK Telecomm	12.70	12.55	12.60	12.65
Hopewell Hdgs	5.10	4.98	5	5
HSBC Hdgs	164.50	163.50	164	163
Hutchison Wh	62.50	61.25	61.75	61.50
Hysan Dev	29.90	29.70	29.80	29.75
Johnson El Hdg	21.60	21.45	21.60	21.50
Kerry Props	21.25	21	21.25	21.10
Nat Mutual	7.45	7.40	7.45	7.50
New World Dev	51.75	51	51.75	51
N World Infrastr	22.10	21.75	21.95	21.75
Oriental Press	3.85	3.70	3.83	3.83
Pearl Oriental	4.68	4.50	4.60	4.60
Shanghai Indus	27.20	26	27.15	25.80
Shangri-La Asia	11.50	11.40	11.45	11.50
SHK Props	96	95.25	95.75	95
Shun Tak Hdgs	5.25	5.15	5.20	5.15
Sino Land Co.	9.50	9.40	9.50	9.35
Sth China Post	6.45	6.35	6.40	6.45
Swire Pac A	74.25	73.75	73.75	74.25
Tsim Sha Tsui	15.35	15.20	15.30	15.20
TV Broadcasts	30.70	30.40	30.50	30.70
Wharf Hdgs	39.80	39	39.40	38.90
Wheelock	22.20	21.95	22.15	21.95

Jakarta
Composite Index: 637.43 Previous: 632.90

	High	Low	Close	Prev.
Astra Intl	5325	5250	5275	5350
Bk Negara	1275	1250	1250	1275
Gudang Garm	10225	10000	10200	10200
Indocement	3600	3550	3600	3600
Indofood	4750	4650	4700	4650
Indosat	6550	6475	6500	6500
Telekomunikasi	4100	4075	4075	4100

Johannesburg
All Market: 6562.92 Previous: 6583.12

	High	Low	Close	Prev.
Amalgamated Bks	24	23.80	24	24
AngloAm Coal	336	336	336	336
AngloAm Corp	255	249	255	255
AngloAm Gold	352	351	351	351
AngloAm Ind	170	170	170	170
Barlow	41.45	41.20	41.20	41.20
C.G. Smith	22.20	22.10	22.10	22.10
De Beers	135.25	134	135	135
Driefontein	48.60	48.30	48.30	48.30
Fst Natl Bk	23.10	23	23	23
Gencor	14.90	14.85	14.90	14.90
GFSA	125.75	125.75	125.75	125.75
Iscor	3.33	3.37	3.37	3.37
Liberty Hdgs	314	314	314	314
Liberty Life	118.50	116	116.25	116.25
Minorco	96.25	95.50	96.25	96.25
Nampak	18	17.75	17.75	17.75
Nedcor	65	65	65	65
Rembrandt Gp	41.50	41.30	41.40	41.40
Richemont	65.50	65	65	65
Rust Platinum	65	64.25	64.25	64.25
SA Breweries	115.75	114.50	114.50	114.50
Samancor	54.50	54.50	54.50	54.50
Sasol	55	54.75	55	55
SBIC	176.50	176	176	176
Tiger Oats	64	63.50	63.50	63.50

Kuala Lumpur
Composite: 1289.86 Previous: 1287.68

	High	Low	Close	Prev.
Genting	17.30	17.10	17.20	17.20
Mal Banking	27	26.50	27	26.50
Mal Intl Ship F	7.30	7.25	7.25	7.30
Petronas Gas	10.10	10	10	10
Renong	4.44	4.42	4.42	4.44
Resorts World	11.70	11.60	11.70	11.50
Sime Darby	10	9.95	9.95	10.10
Telekom Mal	22.40	22.20	22.40	22.50
Tenaga	11.70	11.50	11.60	11.60
Utd Engineers	21.90	21.70	21.90	21.90

London
FT-SE 100: 4091.80 Previous: 4092.50

	High	Low	Close	Prev.
Abbey Natl	7.61	7.55	7.61	7.55
Allied Domecq	4.64	4.48	4.53	4.51
Anglian Water	5.73	5.65	5.73	5.68
Argos	7.75	7.68	7.72	7.72
Asda Group	1.24	1.21	1.22	1.22
Assoc Br Foods	4.78	4.78	4.78	4.79
BAA	4.93	4.86	4.86	4.87
Barclays	10.04	9.94	9.97	9.98
Bass	8.15	8.08	8.12	8.14
BAT Ind	4.82	4.73	4.75	4.80
Bank Scotland	3.11	3.05	3.07	3.09
Blue Circle	3.58	3.53	3.55	3.57
BOC Group	8.77	8.72	8.73	8.75
Boots	6.02	5.98	6	6.02
BPB Ind	3.93	3.90	3.91	3.84
Brit Aerosp	12.30	12.21	12.25	12.22
Brit Airways	6.05	5.99	6.02	6.03
Brit Gas	2.28	2.25	2.25	2.27
Brit Land	5.22	5.13	5.22	5.14
Brit Petm	6.99	6.93	6.95	6.94
BSkyB	5.33	5.22	5.22	5.30
Brit Steel	1.65	1.62	1.62	1.64
Brit Telecom	4.08	4	4.05	3.99
BTR	2.76	2.69	2.75	2.70
Burmah Castrol	10.95	10.85	10.93	10.93
Burton Gp	1.55	1.53	1.54	1.55
Cable Wireless	4.92	4.80	4.82	4.87
Cadbury Schw	4.90	4.85	4.86	4.86
Carlton Comm	5.07	5.02	5.07	5.03
Coml Union	6.91	6.83	6.84	6.84
Compass Gp	6.16	6.13	6.14	6.14
Courtaulds	3.98	3.94	3.95	3.93
Dixons	5.33	5.26	5.30	5.25
Electrocomponents	4.64	4.61	4.64	4.63
EMI Group	13.63	13.45	13.63	13.47
Enterprise Oil	6.37	6.32	6.36	6.30
Fam Colonial	1.51	1.49	1.51	1.49
Genl Accident	7.79	7.70	7.73	7.70
GEC	3.82	3.79	3.80	3.81
GKN	9.90	9.80	9.82	9.84
Glaxo Wellcome	9.42	9.35	9.40	9.36
Granada Gp	8.65	8.58	8.62	8.64
Grand Met	4.56	4.50	4.53	4.56
GRE	2.81	2.78	2.79	2.78
Greenalls Gp	5.87	5.82	5.82	5.87
Guinness	4.55	4.50	4.52	4.54
GUS	6.17	6.02	6.02	6.17
Hanson	0.81	0.80	0.81	0.80
Hays	5.54	5.52	5.52	5.52
HSBC Hldgs	12.68	12.64	12.64	12.63
ICI	7.82	7.75	7.79	7.77
Impl Tobacco	3.85	3.80	3.80	3.87
Kingfisher	6.25	6.18	6.20	6.21
Ladbroke	2.33	2.28	2.30	2.30
Land Sec	7.58	7.45	7.48	7.43
Lasmo	2.42	2.38	2.38	2.38
Legal Genl Grp	3.69	3.64	3.65	3.65
Lloyds Abbey	6.71	6.65	6.70	6.70
Lloyds TSB Gp	4.36	4.28	4.29	4.33
LucasVarity	2.28	2.25	2.26	2.26
Marks Spencer	4.84	4.78	4.82	4.79
MEPC	4.35	4.32	4.33	4.31
Mercury Asset	12.41	12.26	12.29	12.40
National Grid	1.94	1.89	1.89	1.89
Natl Power	4.87	4.83	4.84	4.84
NatWest	6.86	6.80	6.83	6.83
Next	5.55	5.51	5.54	5.50
Orange	1.87	1.84	1.86	1.86
P&O	5.95	5.86	5.88	5.92
Pearson	7.25	7.17	7.17	7.15
Pilkington	1.56	1.51	1.52	1.51
PowerGen	5.80	5.76	5.77	5.80
Premier Farnell	7.50	7.46	7.49	7.50
Prudential	4.95	4.91	4.92	4.93
Railtrack PP	3.83	3.78	3.81	3.81
Rank Group	4.27	4.21	4.27	4.21
Reckitt Colm	7.14	7.03	7.09	7.09
Redland	3.60	3.53	3.56	3.56
Reed Intl	10.97	10.88	10.97	10.86
Rentokil Initial	4.38	4.35	4.38	4.38
Reuters Hdgs	7.52	7.46	7.47	7.43
Rexam	3.54	3.46	3.46	3.47
RMC Group	9.88	9.81	9.87	9.78
Rolls Royce	2.58	2.55	2.56	2.57
Royal Bk Scot	5.54	5.45	5.54	5.46
RTZ reg	9.50	9.42	9.50	9.44
Royal & Sun All	4.44	4.39	4.40	4.43
Safeway	4.06	4.02	4.03	4.06
Sainsbury	3.81	3.77	3.77	3.80
Schroders	15.25	15.19	15.25	15.25
Scot Newcastle	6.86	6.83	6.83	6.83
Scot Power	3.45	3.42	3.42	3.45
Securicor	2.81	2.78	2.81	2.79
Severn Trent	6.90	6.81	6.88	6.86
Shell Transp R	10	9.93	9.97	9.93
Siebe	10.60	10.52	10.60	10.52
Smith Nephew	1.82	1.81	1.82	1.82
SmithKline	8.15	8.10	8.11	8.07
Smiths Ind	7.94	7.87	7.87	7.92
Sthern Elec	7.85	7.75	7.79	7.80
Stagecoach	6.95	6.90	6.93	6.95
Stand Charter	7.20	7.14	7.14	7.19
Tate & Lyle	4.73	4.70	4.73	4.73
Tesco	3.57	3.51	3.52	3.55
Thames Water	6.12	6.03	6.07	6.10
3i Group	4.87	4.85	4.85	4.85
TI Group	5.72	5.65	5.71	5.65
Tomkins	2.67	2.65	2.67	2.68
Unilever	14.44	14.15	14.26	14.17
Utd Assurance	4.77	4.72	4.75	4.72
Utd News	6.97	6.88	6.94	6.91
Utd Utilities	6.11	6.02	6.07	6.06
Vendome Lx uts	5.33	5.32	5.33	5.32
Vodafone	2.49	2.44	2.49	2.47
Whitbread	7.82	7.78	7.81	7.81
Williams Hdgs	3.50	3.47	3.48	3.49
Wolseley	4.63	4.57	4.60	4.60
WPP Group	2.47	2.42	2.47	2.42
Zeneca	16.60	16.43	16.47	16.57

Madrid
Bolsa Index: 440.51 Previous: 440.06

	High	Low	Close	Prev.
Acerinox	19500	18750	18900	19000
ACESA	1870	1810	1810	1845
Aguas Barcelon	5410	5160	5280	5160
Argentaria	5780	5670	5750	5730
BBV	7150	6920	7000	6970
Banesto	997	978	983	984
Bankinter	20430	20070	20080	20150
Bco Centro Hisp	3260	3195	3250	3205
Bco Exterior	2800	2770	2770	2750
Bco Popular	25700	25600	25700	25320
Bco Santander	8330	8050	8200	8140
CEPSA	3975	3900	3950	3945
Continente	2690	2600	2600	2630
Corp Mapfre	7940	7690	7790	7690
Endesa	9130	8970	9000	9030
FECSA	1340	1250	1255	1265
Gas Natural	32080	30810	30320	29800
Iberdrola	1880	1835	1850	1845
Pryca	2750	2680	2705	2695
Repsol	5110	4980	5030	5020
Sevillana Elec	1440	1375	1385	1385
Tabacalera	5630	5500	5550	5600
Telefonica	3060	2990	3005	3030
Union Fenosa	1300	1240	1260	1240
Valenc Cement	1400	1380	1400	1400

Manila
PSE Index: 3178.56 Previous: 3165.52

	High	Low	Close	Prev.
Ayala B	28.50	28.50	28.50	28
Ayala Land	30	29.50	30	29.50
Bk Philip Isl	163	159	159	161
C&P Homes	14	13.50	13.50	13.75
Manila Elec A	127	124	125	126
Metro Bank	650	620	650	630
Petron	8.90	8.80	8.90	8.90
PCIBank	347.50	345	345	345
Phil Long Dist	1445	1425	1445	1425
San Miguel B	119	116	116	120
SM Prime Hdg	6.80	6.70	6.80	6.30

Mexico
Bolsa Index: 3327.28 Previous: 3310.89

	High	Low	Close	Prev.
Alfa A	36.45	36.00	36.35	35.85
Banacci B	16.50	16.04	16.48	16.00
Cemex CPO	28.40	28.00	28.00	28.10
Cifra C	9.88	9.70	9.76	9.70
Emp Moderna	38.50	38.10	38.50	38.00
Gpo Carso A1	41.30	40.90	41.25	41.00
Gpo Fin Inbursa	26.90	26.60	26.90	26.70
Kimb Clark Mex	153.00	151.00	151.80	152.90
Televisa CPO	102.50	101.00	101.00	101.00
TelMex L	12.84	12.72	12.72	12.72

Milan
MIB Telematico: 10581.00 Previous: 10487.00

	High	Low	Close	Prev.
Alleanza Assic	10590	10315	10420	10420
Bca Comm Ital	2790	2715	2775	2745
Bca Fideuram	3335	3300	3300	3330
Bca di Roma	1238	1213	1224	1245
Benetton	18680	18350	18550	18600
Credito Italiano	1690	1650	1670	1680
Edison	9480	9370	9430	9455
ENI	8000	7950	7950	7990
Fiat	4250	4205	4235	4210
Generali Assic	29100	28850	28900	29000
IMI	13050	12810	13050	12985
INA	1980	1955	1970	1936
Italgas	6390	6245	6320	6295
Mediaset	7025	6900	7000	6995
Mediobanca	8280	8085	8125	8175
Montedison	1045	1024	1030	1040
Parmalat	2380	2300	2300	2390
Pirelli	2835	2790	2800	2820
RAS	14280	14050	14180	14070
Rolo Banca	14990	14800	14850	14895
S Paolo Torino	9365	9260	9260	9530
Stet	6865	6775	6845	6760
Telecom Italia	3945	3875	3925	3885
TIM	3815	3785	3805	3790

Montreal
Industrials Index: 2762.11 Previous: 2731.88

	High	Low	Close	Prev.
Alcan I	23¾	23.65	23¾	23¾
Bank Montreal	43¼	42.80	43.15	42.70
Bce Mob Com	40½	40¼	40½	40
Cdn Tire A	22¼	22.10	22.10	22.20
Cdn Util A	30.20	30.05	30.15	30.05
Cascades	7.95	7.90	7.90	7.95
CT Finl Svc	33	33	33	32.70
Extendicare	16⅛	16.05	16.05	16.05
Gaz Metro	17.10	17.05	17.05	17.15
Gt-West Lifeco	20¾	20¾	20¾	21
Hees Intl Bcp	20.20	20.10	20.20	20.15
Hudsons Bay	22.80	22.70	22.80	22.85
Imasco	33½	31¾	33½	31.90
Investors Grp	26¾	26	26¾	25¾
Loblaw Cos	14¼	14.20	14¼	14.20
Molson A	21.70	21½	21.70	21.20
Natl Bk Canada	13.70	13.65	13.70	13.60
Oshawa A	19.95	19.95	19.95	19.80
Pancdn Petlm	53.30	52.60	52.60	52.60
Power Corp	27	26¾	27	27
Power Finl	49	48.70	49	48.10
Quebecor B	23	22.95	22.95	22.95
Rogers Comm B	9.70	9.45	9.65	9.60
Royal Bk Cda	47.45	46.90	47.40	46.80
Sears Canada	10.15	10.05	10.10	10.10
Shell Cda A	52	51.85	51.85	52
Southam	19.20	19	19	19
Stelco A	8¼	8¼	8¼	8.20
Trilon Finl A	6¾	6.70	6¾	6¾

Oslo
OBX Index: 528.80 Previous: 518.69

	High	Low	Close	Prev.
Aker A	139	136	138	135
Bergesen Dy B	154	150	154	150
Christiania Bk	20.30	19.90	20.20	19.70
Den norske Bk	24.80	24.20	24.50	24.50
SAS Norge ASA	70	66	67.50	65
Dyno Indust	165	162	165	159
Elkem	106	103.50	105.50	103.50
Hafslund A	47	46.50	47	46.40
Kvaerner	308	297	305.50	298
Leif Hoegh	126	126	126	124
Norsk Hydro	340	332	340	331
Norske Skog A	217	213	215	213
Orkla	439	427	437	426
Rieber B	183.50	180	183.50	177
Saga Petlm B	101	97	99	96
Schibsted	117	117	117	116.50
Storebrand	37	36.50	36.80	36.30

Paris
CAC-40: 2306.95 Previous: 2303.75

	High	Low	Close	Prev.
Accor	629	622	624	623
AGF	160.80	159.60	160.40	160
Air Liquide	829	813	820	827
Alcatel Alsth.	422	415.80	421	417.40
Axa	331.90	328.70	329.20	330
Bancaire	611	602	602	610
BNP	202.70	200	201.50	200.80
Bouygues	530	518	528	527
Canal Plus	1158	1128	1149	1146
Carrefour	3404	3360	3400	3377
CCF	244.90	242.50	242.70	244.80
Credit Local cl	444.80	440.20	444.80	444.80
Credit Lyon PC	136.80	126.10	136.80	130
Crown Cork Seal	280	272.10	280	278
Danone	725	721	723	724
Elf-Aquitaine	476.90	472.50	474.70	473.60
Eridania BS	834	810	826	831
Euro Disney	10.20	10.05	10.10	10.15
Eurotunnel uts	7	6.90	6.95	6.95
Gen. Eaux	637	632	635	633
Havas	365.50	358	363.40	365.40
Lafarge Cop	317	312.50	314.50	315.70
Legrand	895	881	893	886
L'Oreal	1939	1903	1932	1923
LVMH	1424	1388	1422	1392
Lyon. Eaux	464.90	461.20	464	463
Michelin B	276.80	272.10	274	274.50
Navig Mixte	786	780	786	776
Paribas A	344.40	341.10	342.60	344
Pechiney SA	209.60	206.50	209.60	206.50
Pernod Ricard	285.80	282.50	284.70	284
Peugeot Cit	594	588	592	593
Pinault-Print	2060	2033	2060	2052
Promodes	1468	1446	1450	1450
Renault	112.90	109.20	111	112
Rh-Poulenc A	179.50	176.90	178	179.60
Roussel-Uclaf	1528	1527	1527	1527
Sanofi	513	509	510	514
Schneider	236.50	234	235.50	234
Ste Generale	567	560	567	561
St Gobain	741	734	738	741
St Louis	1274	1243	1270	1241
Suez	220.30	218.20	219.20	219.60
Thomson CSF	170.50	168.30	168.40	170.50
Total B	423.90	418.10	420.80	424
UAP	131.50	129.50	131.50	131.50
Valeo	321	318.50	321	321

São Paulo
Bovespa Index: 70068.50 Previous: 69577.60

	High	Low	Close	Prev.
Bco Brasil Pfd	9.05	8.85	9.00	8.99
Banespa Pfd	5.00	4.90	4.95	4.97
Bradesco Pfd	7.45	7.50	7.53	7.55
Brahma Pfd	566.00	560.00	565.00	560.00
Cemig Pfd	34.90	34.10	34.40	34.80
CESP Pfd	41.80	39.30	40.98	39.10
Eletrobras B	384.00	378.00	383.00	374.00
Itaubanco Pfd	450.00	430.00	444.99	440.00
Light	369.00	349.50	367.01	349.31
Paranapan Pfd	11.05	11.00	11.05	11.19
Petrobras Pfd	165.00	161.49	164.50	163.50
Sid Nacional	28.80	28.60	28.60	28.650
Souza Cruz	6.90	6.80	6.90	6.82
Telebras Pfd	80.00	79.50	79.90	79.20
Telesp Pfd	227.00	224.00	225.00	223.00
Usiminas Pfd	1.06	1.05	1.06	1.07
CVRD Pfd	20.50	20.20	20.20	20.40

Seoul
Composite Index: 651.22 Previous: 659.01

	High	Low	Close	Prev.
Daewoo Heavy	5350	5050	5220	5200
Hyundai Eng	20000	19500	19600	19800
Hyundai Motor	21000	19500	20000	20000
Korea El Pwr	25200	24600	24600	25000
Korea Mob Tel	460000	449000	456000	455000
LG Electronics	10900	10500	10700	10800
Pohang Iron St	40200	36500	36500	39600
Samsung Elec	45500	43500	45500	44700
Samsung Hvy	8900	8500	8750	8700
Yukong	16600	16000	16000	16600

Singapore
Straits Times: 2202.60 Previous: 2197.69

	High	Low	Close	Prev.
Cerebos Pac	10.70	10.30	10.40	10.70
City Devlts	12.20	12	12.10	11.90
Cycle Carriage	17	16.90	17	16.90
Dairy Farm Int*	0.82	0.81	0.81	0.82
DBS	9	8.95	8.95	8.95
DBS Land	5.10	5.05	5.10	5.05
Fraser & Neave	14.30	14.20	14.30	14.20
HK Land*	2.79	2.75	2.76	2.79
Hong Leong Fin	N.T.	N.T.	N.T.	3.26
Jard Matheson*	6.55	6.50	6.50	6.65
Jard Strategic*	3.78	3.74	3.78	3.74
Keppel	10.90	10.80	10.90	10.80
Natsteel	3.20	3.12	3.18	3.14
Neptune Orient	1.20	1.18	1.20	1.19
OCBC foreign	17	16.80	16.90	17
OSea Union Bk	6.40	6.35	6.40	6.30
Sembawang	7.60	7.35	7.35	7.30
Sing Airlines F	12.80	12.70	12.80	12.60
Sing Petm	N.T.	N.T.	N.T.	1.73
Sing Press F	26.80	26.70	26.80	26.60
ST Auto F	3.18	3.10	3.10	3.10
ST Ship	1.90	1.87	1.87	1.90
Sing Telecomm	3.26	3.22	3.22	3.22
Straits Steam	4.42	4.36	4.40	4.40
Utd Industrial	1.19	1.18	1.19	1.19
Utd OSea Bk F	15.80	15.40	15.70	15.50
Wing Tai Hdgs	3.90	3.86	3.88	3.90

*: in U.S. dollars.

Stockholm
SX 16 Index: 2493.80 Previous: 2466.52

	High	Low	Close	Prev.
AGA BF	101.50	99.50	101.50	100
ABB AF	781	768	773	769
AssiDoman F	190	188	189.50	190
Astra AF	329.50	326.50	328	322.50
Atlas Copco AF	167.50	165	165.50	166.50
Avesta F	74	73	73.50	74
Electrolux BF	399	391	397.50	391
Ericsson BF	210.50	207.50	208.50	207
Hennes BF	940	925	940	925
Incentive AF	491	480	491	484
Investor BF	299	297	298	296
Kinnevik BF	193	187	190	186
MoDo BF	190	187	189	187.50
Pharm/Upjohn	277.50	270	275	268
Sandvik BF	185	182.50	183	181.50
SCA BF	139	138	138	139
S-E Banken AF	69	67	69	67
Skandia Fors F	192	189	190.50	188
Skanska BF	298	295	298	295.50
SKF BF	158.50	156	158	157.50
SSAB BF	114.50	112	113.50	112.50
Stora AF	94	92.50	93	93
Sv Handles AF	199.50	197	198	197
Sydkraft AF	147	146	146	146
Trelleborg BF	90.50	88	88.50	89.50
Volvo BF	147.50	146	147.50	146.50

Sydney
All Ordinaries: 2295.60 Previous: 2281.40

	High	Low	Close	Prev.
Amcor	8.10	8.06	8.10	8.07
ANZ Bkg	7.80	7.70	7.76	7.75
BHP	17.55	17.45	17.55	17.38
Boral	3.56	3.49	3.56	3.48
Brambles Ind.	24.10	24	24.04	23.90
Burns Philp	2.20	2.16	2.20	2.16
CBA	12.06	12.01	12.02	12.01
CC Amatil	13.50	13.37	13.49	13.30
Coles Myer	5.23	5.19	5.23	5.20
Comalco	6.31	6.25	6.25	6.26
CRA Ltd	19.70	19.70	19.65	19.53
CSR	4.30	4.22	4.30	4.22
Fosters Brew	2.58	2.56	2.58	2.55
GIO Australia	3.26	3.22	3.25	3.22
Goodman Fld	1.55	1.55	1.55	1.53
ICI Australia	13.40	13.20	13.40	13.20
John Fairfax	2.82	2.80	2.82	2.82
Lend Lease	24.05	23.85	24.05	23.75
Mayne Nickless	8.50	8.49	8.55	8.49
MIM Hdgs	1.78	1.78	1.79	1.77
Nat Aust Bank	14.61	14.50	14.53	14.56
News Corp	6.55	6.50	6.55	6.47
North Ltd	3.65	3.60	3.65	3.62
Pacific Dunlop	3.17	3.10	3.17	3.11
Pioneer Intl	3.72	3.68	3.70	3.69
Placer Pacific	1.88	1.87	1.87	1.88
Santos	5.12	5.05	5.12	5.02
Southcorp	3.88	3.79	3.87	3.79
Wesfarmers	8.65	8.60	8.60	8.50
Wstrn Mining	7.97	7.90	7.97	7.89
Westfield Trt	2.39	2.38	2.39	2.38
Westpac Bkng	7.08	7.04	7.04	7.05
Woodside Pet	9.04	8.98	9.03	8.98
Woolworths	3.02	3	3.02	3

Taipei
Stock Market Index: 6863.02 Previous: 6889.83

	High	Low	Close	Prev.
Asia Cement	50.50	50	50.50	50
Cathay Life Ins	174	173	173	174
Chang Hwa Bk	156	155	155	156
China Steel	25.80	25.60	25.60	25.60
China Trust	52	51.50	52	52
Evergreen	54	53	53.50	53.50
Far East Text	28.10	27.90	27.90	28
First Bank	166	165	165	166
Formosa CF	42.20	41.80	42	42.20
Hua Nan Bk	129.50	128.50	128.50	130
Hualon Teijran	25.10	24.50	24.60	25.20
ICBC	84	83.50	83.50	84
President Ent	42.40	42	42	42.30
Taiwan Cemt	60.50	60	60	60
Tatung	54	53.50	53.50	54

Tokyo
Nikkei 225: 19369.04 Previous: 19291.58

	High	Low	Close	Prev.
Ajinomoto	1180	1140	1160	1180
All Nippon Air	899	875	875	877
Asahi Bank	1010	992	995	1000
Asahi Chem	655	642	642	653
Asahi Glass	1090	1070	1070	1080
Bk Tokyo Mitsu	2140	2100	2120	2120
Bk Yokohama	743	722	733	724
Bridgestone	2210	2160	2190	2180
Canon	2630	2500	2580	2490
Chiba Bank	800	780	780	785
Chubu Elec	2320	2300	2320	2310
Chugoku Elec	2300	2260	2300	2280
Daiei	895	875	885	900
Daiichi Kang	1690	1660	1690	1670
Daiwa Bank	612	604	610	603
Daiwa House	1480	1460	1480	1470
Daiwa Sec	1040	1000	1010	1040
Denso	2800	2750	2770	2780
Fanuc	3660	3530	3600	3530
Fuji Bank	1680	1660	1660	1660
Fuji Photo	3830	3750	3820	3740
Fujitsu	1090	1060	1090	1070
Hitachi	1070	1050	1060	1050
Honda Motor	3380	3330	3350	3340
IBJ	2000	1980	1990	1990
IHI	503	495	500	495
Itochu	616	605	610	610
Ito-Yokado	5100	5000	5030	5050
JAL	621	607	609	620
Jusco	3880	3650	3870	3830
Kajima	808	790	800	798
Kansai Elec	2370	2350	2370	2360
Kao	1340	1320	1340	1330
Kawa Steel	322	316	317	322
KDD	7980	7860	7940	7690
Kinki Nipp Ry	725	718	719	722
Kirin Brewery	1160	1140	1150	1160
Kobe Steel	235	230	235	232
Komatsu	951	911	951	908
Kubota	547	535	542	544
Kyocera	7180	7060	7140	7140
Kyushu Elec	2260	2250	2260	2260
LTCB	638	633	634	636
Marubeni	492	486	492	489
Marui	2090	2050	2070	2080
Matsu Elec Ind	1890	1850	1880	1840
Matsu Elec Wk	1010	997	1010	1010
Mitsubishi	1180	1160	1180	1160
Mitsubishi Ch	369	361	367	364
Mitsubishi El	689	672	682	673
Mitsubishi Est	1240	1210	1210	1220
Mitsubishi Hvy	933	916	917	924
Mitsubishi Mat	848	834	847	841
Mitsubishi Tr	1610	1580	1600	1610
Mitsui	940	915	937	928
Mitsui Fudosn	1150	1120	1140	1120
Mitsui Trust	891	872	891	886
Murata Mfg	3870	3850	3850	3880
NEC	1400	1370	1400	1360
Nikko Sec	898	878	880	889
Nintendo	8400	8290	8350	8300
Nipp Credit Bk	304	299	304	304
Nipp Express	801	770	779	788
Nippon Oil	592	581	590	586
Nippon Paper	555	544	545	552
Nippon Steel	342	336	337	339
Nippon Yusen	524	516	518	517
Nissan Motor	679	670	671	670
NKK	268	261	261	267
Nomura Sec	1760	1730	1740	1740
NTT	8810a	8610a	8760a	8600a
Obayashi	785	765	785	785
Odakyu El Ry	695	680	688	688
Ono Pharm	3350	3280	3350	3310
Osaka Gas	319	315	317	317
Ricoh	1350	1300	1340	1320
Sakura Bk	859	831	843	860
Sankyo	3330	3250	3310	3240
Sanwa Bank	1640	1600	1630	1640
Sanyo Elec	482	470	471	479
Secom	7030	6930	6930	6980
Seibu Rwy	4550	4500	4540	4510
Sekisui House	1200	1170	1190	1190
Seven-Eleven	6900	6770	6820	6760
Sharp	1650	1620	1650	1620
Shimizu	870	850	870	864
Shin-etsu Ch	2120	2100	2110	2120
Shizuoka Bk	1240	1210	1220	1230
Sony	7650	7540	7570	7600
Sumitomo	949	917	921	950
Sumitomo Bk	1680	1640	1670	1670
Sumit Chem	458	449	449	447
Sumitomo Elec	1630	1600	1620	1610
Sumit Metal	287	280	282	285
Sumit Trust	1150	1120	1140	1160
Taisei	600	591	595	595
Taisho Pharm	2740	2650	2730	2650
Takeda Chem	2440	2380	2430	2380
TDK	7610	7500	7590	7450
Tohoku El Pwr	2290	2260	2290	2270
Tokai Bank	1210	1180	1210	1200
Tokio Marine	1100	1080	1080	1090
Tokyo El Pwr	2520	2490	2520	2520
Tokyo Gas	319	311	315	316
Tokyu	660	650	654	650
Tonen	1400	1360	1380	1400
Toppan Print	1470	1440	1450	1450
Toray Ind	722	706	710	715
Toshiba	732	722	730	716
Toyo Seikan	2960	2850	2960	2910
Toyo Trust	931	916	931	921
Toyota Motor	3340	3280	3320	3280
Yamaichi Sec	500	493	499	503
Yamanouchi	2380	2340	2350	2370
Yasuda Fire	613	600	606	608
Yasuda Trust	486	479	482	484

a: x 100

Toronto
TSE Industrials: 5902.61 Previous: 5867.82

	High	Low	Close	Prev.
Abitibi Price	21.60	21.40	21.60	21½
Air Canada	6.05	5.95	6.05	5.95
Alberta Energy	32.45	32¼	32.30	32¼
Alcan Alum	46.60	46.30	46.30	46.35
Avenor A	19.85	19.60	19.80	19.70
Bk Nova Scotia	45⅝	44.85	45.65	44.80
Barrick Gold	39.90	39.60	39.70	39.90
BCE	65.35	65.05	65.35	65½
BC Telecomm	29½	29	29	29.15
Bombardier B	24.80	24.05	24.80	24.15
Brascan A	30	29¾	30	29.85
Cameco	54.90	54.65	54.70	55
CIBC	60	58.85	59.95	59
Cdn Airlines	2.35	2.10	2¼	2.30
Cdn Nat Res	38	37.15	37.80	37.20
Cdn Occid Pet	22¼	22.15	22.20	22.20
Cdn Pacific	36½	36.05	36.30	36.40
Cominco	33	33	33	32½
Dofasco	25.45	25.30	25.40	25.45
Domtar Ind B	9.35	9	9	9
Du Pont Cda A	32	31¾	31¾	32
Echo Bay Min	9¼	8.95	9.20	9.05
Empire Co. A	13¼	13¼	13¼	13¼
Falconbridge	29¼	29	29.20	29.10
Fletcher Chall A	21.20	21.20	21.20	21.60
Franco Nevada	61	58	60¼	58¼
Guardian Cap A	12	12	12	12
Imperial Oil	62.90	61.55	62¼	61¼
Inco	44.40	43.65	43.80	43½
IPL Energy	38.70	38.55	38.70	38.60
Laidlaw A	15.95	15.90	15.95	15¼
Laidlaw B	15.80	15.45	15.70	15¼
Loewen Group	53	52	52.90	52
Ldn Insur Gp	18	18	18	18.20

Vienna
ATX Index: 1142.85 Previous: 1123.74

	High	Low	Close	Prev.
Aust Airlines	1711	1711	1500	1500
Brau-Un Goess	660	649	660	658
Bund Vers Pfd	395	395	490	490
Creditanst Pfd	496.90	468	496.90	464.50
EA-Generali	3297.45	3202	3281	3211
EVN	1619	1573	1619	1572
Interunfall	1500	1500	1475	1475
Lenzing	688.80	684	689	687
Leykam	289.90	281	286.90	283.50
Mayr-Melnhof	539.50	532	539.50	537
OMV	1229	1196	1229	1203.15
Oest Brau	740	724	740	726
Oest Elektriz	817.50	808.50	813	812
VA Tech	1707.90	1699	1702	1706
Wienerberger	2088	2068	2087	2068

Wellington
NZSE-40 Index: 2350.42 Previous: 2344.79

	High	Low	Close	Prev.
Air N Zeald B	2.75	2.73	2.74	2.74
Brierly Invt	1.31	1.30	1.30	1.29
Carter Holt ord	3.28	3.25	3.25	3.28
Fernz	4.95	4.90	4.90	4.94
Fisher Paykel	5.60	5.55	5.60	5.50
FC Forest	2.40	2.38	2.39	2.40
Goodman Fder	N.T.	N.T.	N.T.	1.71
Indep News	7.10	7.05	7.10	7.00
Lion Nathan	3.46	3.43	3.43	3.41
Nat Gas note	2.19	2.17	2.19	2.17
NZ Refining	29.00	29.00	29.00	29.00
Telecom NZ	7.16	7.08	7.13	7.08
Wilson Horton	11.75	11.70	11.75	11.60

Zurich
SPI Index: 2501.08 Previous: 2472.69

	High	Low	Close	Prev.
Adecco B	336	332	335	335
Alusuisse R	1068	1060	1063	1060
Ares-Serono B	1280	1267	1280	1260
Baloise Hdg R	2705	2670	2705	2665
ABB B	1675	1656	1671	1652
BK Vision	740	731	740	737
Bobst B	1765	1750	1765	1750
Ciba Geigy R	1607	1580	1595	1595
CS Holdings R	137.75	137	137.25	137.25
Elektrowatt B	536	533	534	534
Fischer B	1420	1396	1415	1394
Hilti PC	855	836	844	855
Holderbank B	958	941	952	944
Jul. Baer Hdg B	1395	1385	1395	1380
Nestle R	1439	1432	1439	1430
Oerlikon R	130.50	127.25	130	127.50
Pargesa Hld B	1460	1420	1460	1450
PharmVisn B	610	591	605	594
Pirelli B	180	179.75	180	179.75
Roche Hdg PC	10440	10160	10435	10135
Sandoz R	1508	1494	1494	1494
SBC R	252.50	249.25	251.75	250
Schindler B	1455	1431	1451	1428
SGS B	3285	3220	3285	3215
SMH B	815	805	815	810
Sulzer R	765	750	765	750
Swiss Reins R	1411	1391	1406	1386
Swissair R	1080	1076	1077	1072
UBS B	1180	1168	1176	1168
Valora Hdg R	265	257	265	259
Winterthur R	775	768	775	768
Zurich Assur R	373	368	371	368

NYSE

Friday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

Continued on Page 14

ASIA/PACIFIC

$200 Million Charge Will Hit Sega's Profit

Company Admits 'Strategic Mistake'

Compiled by Our Staff From Dispatches

TOKYO — Sega Enterprises Ltd. slashed its annual profit forecast on Friday because it plans a special charge of $200 million to cover losses at its U.S. subsidiary and write down the value of inventories of outdated game players.

Sega cut its forecast for group profit in the current financial year by almost half, to 5.3 billion yen ($46.09 million) from the 10 billion yen it had forecast previously.

The company also cut its forecast for net parent profit for the year, which ends in March, to 5.31 billion yen, from a November forecast of 16 billion yen.

Sega misjudged how quickly consumers would take to the next generation of video game machines. The mistake left the company holding about 7 billion yen worth of unsold 16-bit Genesis game machines this year alone.

Shunichi Nakamura, a managing director at Sega, said the company had "made a strategic mistake on the timing of the shift from 16-bit machines to 32-bit machines."

Sega has come out with a faster 32-bit game machine, and the current machines of its principle rivals, Nintendo Co. and Sony Corp., are far more powerful than the old 16-bit Sega Genesis.

"Now that we know our sales in the Christmas shopping season, we will wipe out worldwide inventories of 16-bit machine-related products, worth about 7 billion yen," Sega said. The company did not say how well its products had sold during the Christmas shopping season.

Disposal of inventories is expected to hurt the earnings of Sega of America, which holds about 3 billion yen worth of the 7 billion yen in inventories targeted for disposal, Mr. Nakamura said.

The company plans to either sell the unwanted products at a discount or scrap them.

"By erasing the unit's losses, we can get rid of obstacles in our Sega Saturn strategies," Mr. Nakamura said, referring to the new 32-bit game player.

Analysts said Sega had been hurt in the Japanese market by Sony's 32-bit PlayStation and Nintendo's cutting-edge 64-bit game player.

A media report predicting Sega's earnings revision — which officially came after market closed — pushed Sega shares down 50 yen on Friday, to 4,050 yen. The shares were later suspended. But the company said it would still pay shareholders the 32 yen per share dividend it forecast in November.

The latest game players of Sega and its competitors are selling well, especially in the United States.

U.S. sales of the Nintendo 64, priced at $199.95, will probably average more than $5 million a day this year, Nintendo said separately. Nintendo expects to have sold 1.6 million units by the end of the year from a standing start in September.

For its part, Sega estimates it will have sold 1.8 million of its 32-bit Saturns by the year ending March. The game player was introduced in 1994.

Comparable figures from Sony were not available.

(Reuters, Bloomberg)

China's Dubious Statistics

Bloomberg Business News

BEIJING — On Monday, China's State Statistics Bureau will unveil the year's economic performance — even before 1996 is over.

Not that economists will give the figures much credence. While it is undeniable that China is growing, just how fast the economy is expanding is a matter of debate.

Based on projections the government has already made, China will say Monday that its economy has grown by about 9.6 percent, while inflation has dipped to about 6.3 percent, far below the 10 percent target. In sum, another good year.

Just as the old Soviet Union used statistics as propaganda, the half-socialist, half-market Chinese economy floats on a sea of highly suspect information.

"The figures are always questionable," said Nicholas Kwan, an economist in Hong Kong for Merrill Lynch & Co. "You try to reconcile the quarterly data they provide with the annual figures and it's impossible."

Consider first-half gross domestic product. This year, China said, it jumped to about $360.24 billion, up by more than a third if compared with last year's published data. Then China went back and quietly revised last year's first-half figures. So now this year's first-half output turns out to have risen only by about 10 percent.

When asked for an explanation, Ye Zhen, the chief spokesman of the State Statistics Bureau, said last year's numbers had been revised to take greater account of services. Revisions of 1 percent or so are common for industrialized nations, but few wind up with variations this large.

Growing inventories are an even more worrisome problem. According to the World Bank, about a quarter of this year's first-half growth of 9.8 percent came from increases in inventories as unsold goods piled up in warehouses.

Urban workers are prospering as China turns increasingly to capitalism, but they worry that Beijing will abandon the communist system of subsidized housing, medical care and education.

So the Chinese are socking away as much as 40 percent of their wages, one of the highest savings rates in the world, rather than consuming the goods the factories are making.

That means 1.5 billion shirts fill warehouses, as do 20 million unsold bicycles, and 150,000 cars, about a third of this year's production, await buyers.

Unsold goods accounted for 8 percent of production in the first half, the World Bank estimates.

Even after exports rose in the second half of this year, those piles of unsold goods will hold back growth in 1997, says Fan Gang, director of the independent National Economic Research Institute.

Mr. Fan said the problem in China had once been "the supply side — overcoming shortages." Now that the problem is falling demand, he said, bureaucrats "have no idea" what to do.

China's remarkable record of cutting inflation by two-thirds since it peaked at more than 24 percent in 1994 also has its skeptics. If consumer prices rose only 9.4 percent this year, foreign companies ask, why must their state-supplied staff get pay raises of 12 percent or more to reflect what the government says is this year's "cost of living increase."

"What we do is to follow trends," said Chen Xingdong, an economist in Beijing with Crosby Securities Ltd. "We don't rely on the actual numbers."

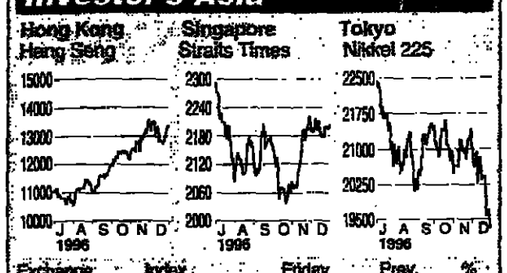
Shares Jump

Bloomberg Business News

SHENZHEN, China — Shenzhen's B-share index surged 10 percent Friday, to 142.33, the most it can rise in one day, as investors apparently decided the government had completed its latest attempt to deflate a speculative bubble.

Leading financial newspapers quoted an official with the China Securities Regulatory Commission as hailing the government's clampdown, saying share prices had returned to normal.

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,404.14	13,341.61	+0.47
Singapore	Straits Times	2,202.60	2,197.69	+0.22
Sydney	All Ordinaries	2,395.60	2,381.40	+0.60
Tokyo	Nikkei 225	19,369.04	19,261.58	+0.40
Kuala Lumpur	Composite	1,209.00	1,207.68	+0.11
Bangkok	SET	835.71	826.48	+1.12
Seoul	Composite Index	651.22	658.01	-1.18
Taipei	Stock Market Index	6,863.02	6,889.03	-0.38
Manila	PSE	3,170.56	3,165.52	+0.16
Jakarta	Composite Index	637.43	632.50	+0.78
Wellington	NZSE-50	2,350.42	2,344.70	+0.24
Bombay	Sensitive Index	Closed	3,085.20	-

Source: Telekurs International Herald Tribune

Very briefly:

• **DDI Corp.**, a leading domestic telephone company in Japan, has announced plans to use an undersea cable to be laid by **Kokusai Denshin Denwa Co.** DDI said it had agreed to buy 20 percent of the transmission capacity of the cable, to be laid around Japan by mid-1999.

• **Industrial Credit & Investment Corp.** and **SCICI Ltd.**, India's second- and third-largest long-term lenders, announced that their boards would meet Tuesday to discuss a merger proposal.

• **Jardine Davies Inc.** said it would sell 75,000 shares, or half the capital, of **Thorn Lighting Philippines Inc.**, as well as dispose of its 40 percent stake in **Jardine Wines & Spirits Philippines Inc.** and its 27.5 percent stake in **Jardine Aboitiz Insurance Brokers Inc.**

• **Tenaga Nasional Bhd.**, Malaysia's state-controlled utility, plans to increase electricity rates to bolster profits.

• **Vietnam Post & Telecommunications Corp.**, the state-operated telecommunications monopoly, will cut charges for international telephone calls by up to 23 percent and offer discounts, starting Wednesday.

• **The Philippines** must cut the number of state employees and raise its savings rate if it is to grow faster and catch up with its Asian neighbors, the **International Monetary Fund** said. *Reuters, Bloomberg*

Lai's Apple Daily Is Winning the Hong Kong Newspaper War

Bloomberg Business News

HONG KONG — Hong Kong newspaper publishers saw profits all but disappear this half — and despite their best efforts, they had to watch the cash flow into the pockets of Jimmy Lai, the textile tycoon turned publisher.

Mr. Lai's colorful Chinese-language broadsheet Apple Daily broke even in July, a year after its launch plunged the industry into a price war. Apple survived the often-vicious battle to earn 6 million Hong Kong dollars ($775,500) last month, an executive said. By contrast, three of its rivals had losses in the six months ended Sept. 30, and two saw their profits cut by more than half.

Culturecom Holdings Ltd. had an 18.9 million dollar loss in the half, while Ming Pao Enterprise Corp. reported a net loss of 18.53 million dollars as readership of its Ming Pao Daily News fell to 70,000 from 100,000. Hong Kong Daily News Holdings Ltd. had a 41.74 million dollar loss.

Sing Tao Holdings Ltd., which publishes the high-brow Chinese-language Sing Tao Daily News, said net profit fell 76.2 percent, to 4.92 million dollars.

Meanwhile, Apple Daily has seen readership rise to 360,000 from 300,000 in July. The paper's focus on young fashion-conscious 25-to-40-year-olds helped increase advertising income to 35 million dollars a month, from 25 million dollars at the start of the year.

FUNDS: *After Riding With Bulls, Can Investors Face the Bears?*

Continued from Page 9

"We've had an expansion in ownership recently, but we still have a significant base of owners who have had their mutual funds for quite a while," Mr. Rea said. So while equity funds might suffer withdrawals in a market downturn, "I don't think it will be concentrated in a short period of time," he said.

Overall, 23 percent of U.S. households owned stock funds, 16 percent owned bond and income funds, and 13 percent had money-market funds, according to the survey. Households might own more than one type of fund. The research also quantified for the first time the role played by retirement savings plans in mutual-fund ownership.

Of the 36.8 million households that now own mutual funds, 8.7 million, or nearly 24 percent, own their funds only in a tax-advantaged retirement program, such as a 401(k) or other defined-contribution pension account.

The survey, which was conducted for the Investment Company Institute by Intersearch Corp. of Horsham, Pennsylvania, was based on a random sample of 2,644 households whose income and age distribution closely matched those of the 98.9 million households counted by the Census Bureau, the institute said. The institute said the survey had an error rate of 2 percent, meaning that 95 times out of 100, a similar survey would produce results within two percentage points of the current data.

Mr. Rea said that although the institute did not have similar data for previous years, retirement programs had become a large part of mutual-fund cash flows over the past several years.

In 1988, for instance, when 24 million households invested in mutual funds, mutual-fund assets accounted for only 10 percent of the $230 billion in 401(k) accounts. In 1995, mutual funds accounted for 39 percent of total 401(k) assets of $667 billion.

The implication of a greater proportion of mutual-fund cash flows coming from investors saving for retirement is that those investors might have a longer investment horizon and be less likely to stop investing or to withdraw their money if the markets hit a rough patch.

But not everyone agrees. Mr. Wien said that if the market started to slide and new mutual-fund investors got nervous, their selling might add momentum to any decline.

In the first five months of 1996 — the industry's five biggest months ever for equity-fund inflows — $123.4 billion was invested in equity funds, nearly as much as in all of 1995.

Elizabeth Mackay, chief investment strategist at Bear, Stearns & Co., said such a shift could have implications beyond the stock market. If a decline in equity prices were followed by a withdrawal of assets from mutual funds, "that could have a more destabilizing effect on the economy," she said.

"The real test might be if we have a year of more average, single-digit returns or a stock market that declines 10 percent and does not return to new highs within six months," Ms. Mackay said.

"People might decide that getting 5 percent in a money market fund is not that bad," leading them to get out of equity funds.

Mazda to Invest $126 Million in Ailing U.S. Distributor

Bloomberg Business News

TOKYO — Mazda Motor Corp. said Friday that it would invest $126 million in its money-losing U.S. distribution arm to improve its finances, expand sales and raise its stake to 88 percent.

Mazda's U.S. sales have fallen almost 16 percent, to 223,445 vehicles this year through November, compared with a year earlier.

Mazda Motor of America Inc., based in Irvine, California, has been unprofitable for at least the past two years, a spokesman for Mazda said.

The extra capital will allow the distributor "to use customer incentives and incentives to dealers to expand sales," the spokesman said.

Mazda's stake in Mazda Motor is now 50 percent. The rest is held by the trading houses Itochu Corp. and Sumitomo Corp. Mazda said its U.S. sales operation was not profitable because of declining sales and the strength of the yen.

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INSTRACORP acquired the world-wide rights to an internationally patented unique Needle Impulse Generator (NIG) in the form of a small module which, when installed in any electrical appliance, will save 30 to 80% on electrical consumption without effecting the unit's output or performance. Already several major industrial groups are negotiating the integration of the NIG in their products. Independent labs and research institutions in the US, Germany and elsewhere attested the NIG's performance. INSTRACORP appointed Aminex S.A.R.L. as underwriters for their new issue of 8,000,000 common shares, $ 0.001 par value, Reg S with two years restriction, and Aminex is offering to non US citizens or residents, on "first come first serve basis" such shares at the following prices: First 2,000,000 shares at $ 3.00/share, second 2,000,000 shares at $ 5.00/share, third 2,000,000 shares at $ 7.00/share and last 2,000,000 shares at $9.00 share. Minimum subscription is 10,000 shares. Please contact:
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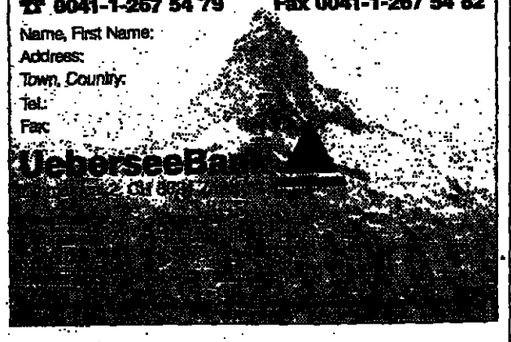

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The Netherlander
Your Dutch Intelligence Service

The Netherlander is a comprehensive English-language business weekly about the Netherlands, written especially for the non-Dutch reader who needs and wants to keep abreast of the country's economic and corporate developments.

It is published by the Netherlands' leading financial daily, *Het Financieele Dagblad*, and distributed jointly in the Netherlands with the *International Herald Tribune*, "the world's daily newspaper".

The weekly enables the reader to understand the Dutch business community and issues it faces, without requiring a command of the Dutch language. *The Netherlander* has therefore quickly become essential reading for expatriate staff working in the Netherlands, for foreign-based managers with Dutch operations and for anyone – from equity analysts to risk managers – who needs to know what makes the Dutch economy tick.

The Netherlander is the only English-language publication which gives you – every week – full coverage of economic and corporate developments, feature articles on specific industrial sectors, profiles of leading companies and corporate personalities, and market data from the stock and options exchanges. It also provides a weekly review of politics and the arts, and a "what's on" cultural agenda.

The Netherlander is, in short, a Dutch intelligence service for the non-Dutch businessman or woman.

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NASDAQ

Friday's 4 p.m.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.

The Associated Press.

NYSE

Friday's 4 p.m. Close

(Continued)

International Herald Tribune

THE MONEY REPORT

SATURDAY-SUNDAY, DECEMBER 28-29, 1996
PAGE 15

MONDAY: SPORTS

Buy or Sell? Markets Up or Down? What May Lie Ahead in 1997

Analysts and brokerages offer some strategies and predictions for the coming investment year.

David Katz, Matrix Asset Advisors, New York

Mr. Katz said his firm consists of "value investors, and it would be difficult for us to make money next year if we were restricted to large-cap U.S. stocks because they've gone up so much. But if you widen your universe to mid-size and small companies, there are some pretty good businesses at reasonable valuations. I like a company called Telxon Corp. that makes hand-held computers used by retailers like Wal-mart and Kmart to keep track of inventory. Their stock is down to $11.50 from $28 in early 1996 because they had an earnings disappointment and a lot of momentum players bailed out. But we've owned it before and the time to buy it is when it approaches book value, which is now. It's still a good business with a good outlook and management is working on returning to profitability."

Eric Fry, president, Holl International LLC, San Francisco

If you believe that what goes up must come down, and vice versa, Eric Fry has some trades for you.

Mr. Fry, president of Holl International LLC, a San Francisco-based money manager, thinks that after its two-year run, the American stock market is ripe for a correction, based on high price-to-earnings multiples and stingy dividend yields. It is time, he suggested, to abandon Wall Street for Paris.

Mr. Fry said the current economic situation in America could not be much better, while in France, tight government budget and interest-rate policies mean the environment could hardly get much worse. Indeed, he predicted the strict deficit and inflation requirements for the European Monetary Union would be diluted or discarded, permitting the government to increase its spending and cut taxes, while allowing the central bank to reduce interest rates.

Holl's strategy is to buy French companies and sell short American competitors in the same industries. A favorite sector is the financial industry, and Mr. Fry said investors should buy Assurances Generales de France while selling Berkshire Hathaway Inc., a company he said was "lavishly valued" because of its chairman, Warren Buffett. Remove the folksy, wealthy and 66-year-old Mr. Buffett from the insurance-based holding company's helm, and you remove the premium from the stock.

Other pairs Mr. Fry likes are Banque Nationale de Paris and Citicorp, and, in other industries, Groupe Danone and Coca-Cola Co., and Banks de Mer Monaco and Host Mariott.

Of course, you can skip the sector plays entirely and buy the closed-end French Growth Fund on the New York Stock Exchange, while taking a short position with options on the Standard & Poor's 500-stock index or some of its components.

One caveat: If Mr. Fry's EMU-collapse scenario comes true, the franc is likely to depreciate against many other currencies. So investors for whom this is a concern but who like his strategy should hedge their foreign-exchange risk.

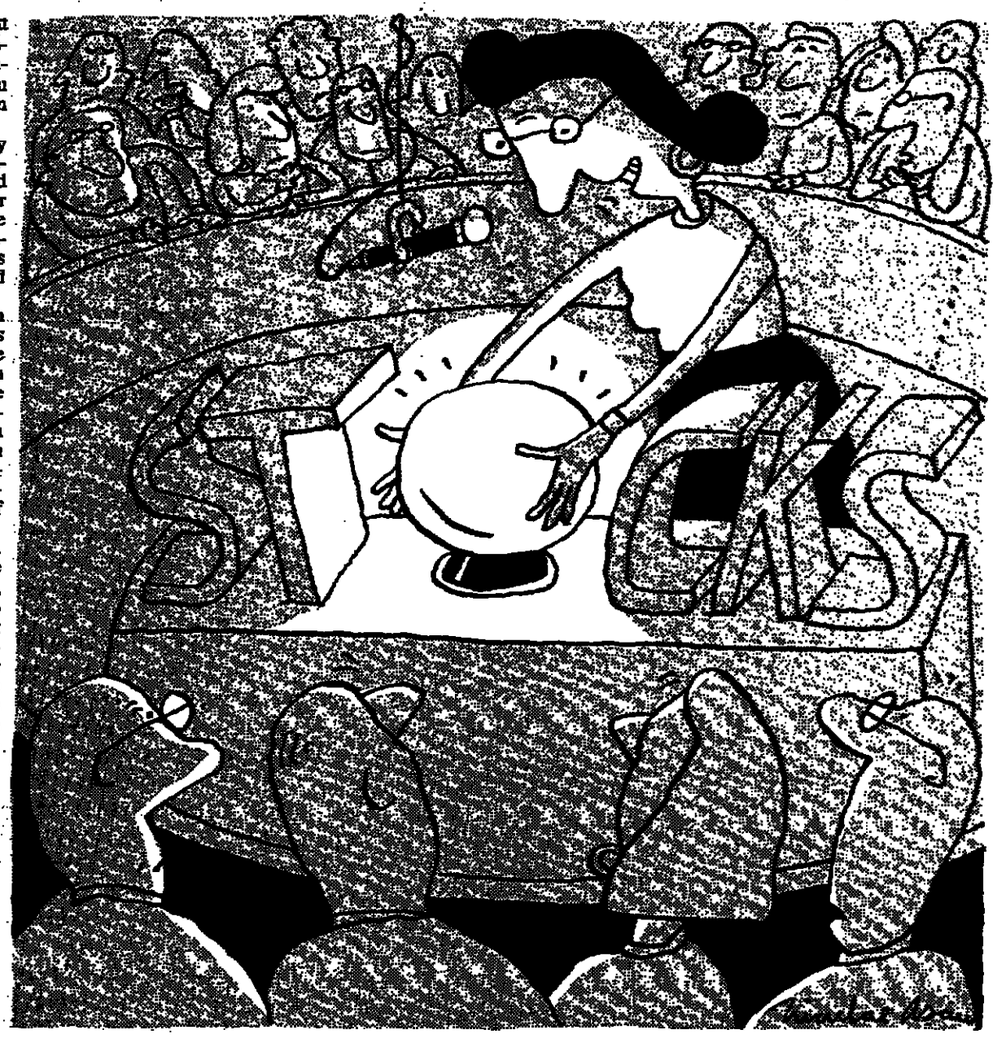
Andrew Shores, equity strategist, Banco de Investimentos Garantia SA, London

Brazil's stock market is set to rise by up to one third this year, aided by a reduction in the perceived risks of investing in the country. President Fernando Henrique Cardoso wants to be re-elected in 1998, but he needs to amend the constitution to do so.

If the bill passes, it will allow progress on administrative and social security reform, he said.

"The most compelling investment opportunities will be in the state sector, restructured by tariffs, new regulatory frameworks and privatization," he said.

Garantia said the Bovespa index could gain 36.34 percent in dollar terms in 1997, with inflation to fall to 8 percent from the current 11 percent, and the economy to expand 3.9 percent.



Guinness Flight Global Asset Management Ltd., London

Nearly £200 billion ($334 billion) of new equity will be issued as part of government privatizations in the coming five years. In Asia and other emerging markets, recently privatized companies often have high market shares and are supported by their governments as standard-bearers for new stock exchanges. Guinness said it was especially positive on Eastern Europe.

Developments elsewhere in Europe also are encouraging for privatized companies. A low-inflation, low-growth environment is forcing European companies to restructure, and the potential efficiency-gains bode well for formerly state-owned companies.

Robert Stovall, president, Stovall/Twenty-First Advisors, New York

Mr. Stovall was bullish on the U.S. stock market in early autumn, "but I've turned much more cautious, and I'm 20 percent in cash. I sense a vulnerability in market psychology in that we've shifted from ignoring negative signs to focusing on them, such as the reaction to Alan Greenspan's comments."

After the chairman of the Federal Reserve warned of "irrational exuberance" in the stock market recently, the Dow Jones average plunged 145 points the next day before recovering.

January, Mr. Stovall said, would be a key month because of profit-taking in mutual funds. It will also be predictive because many gurus are counting on small stocks to play catch-up with big stocks by February. "Considering that we may be moving toward the latter phase of a business cycle in the U.S., interest-rate sensitive stocks like insurance, banks and brokerages will be strong. I also like the high dividends from three convertible preferred stocks in steel: USX, Armco and Bethlehem Steel are all yielding from 8 to 9 percent."

Kevin Parke, director of research, MFS Investment Management, Boston

"I think economic growth in the U.S. next year will remain moderate, so there isn't much risk that the economy will accelerate and cause higher rates and inflation that could end the bull market. But corporate earnings growth will slow to about 10 percent in 1997 from about 25 percent in 1996, so investors will need to be increasingly selective.

I believe that corporate America is just beginning to see some of the gains in the profit side from the restructuring that has occurred over the last 10 years.

An example is United Technologies, which makes air conditioning and elevators. Their earnings were flat in good and bad years for a decade, and finally have broken out. They're also buying back stock."

Ted Arnold, metals analyst, Merrill Lynch & Co., London

Mr. Arnold sees the price of gold falling sharply from its current level of about $370 an ounce.

"Next year, I expect a real breakdown in the price and there could be a blood-bath," he said. "There will be a lot more central bank selling and more supply."

European nations, preparing to cut their debt before joining the European Monetary Union, may choose to sell some of their gold holdings to raise cash as a quick-fix fiscal boost.

Member nations in the European Union must meet budget, debt, inflation, long-term interest rate and currency stability criteria in order to qualify to participate in the single currency, which is planned for 1999.

But if such sales, coupled with fading investor demand, push gold as low as $330 an ounce, Mr. Arnold expects consumer demand to improve.

Global Investing, New York

This New York-based newsletter added Trizec Hahn, a Canadian holding company, to its closed-end fund portfolio. The company, formerly called Horsham, trades on the New York Stock Exchange, and owns stakes in several hard-asset-related companies, including Barrick Gold; Trizec, a Canada real estate company; the American oil refiner Clark USA and Horsham Properties GmbH, a German developer.

The newsletter said it expected rising prices for copper, gold and oil in 1997, making Trizec Hahn an attractive bet.

University of Stellenbosch's Bureau for Economic Research, Cape Town

A two-percentage-point cut in South Africa's prime rate is possible in 1997 because the country's export performance is expected to improve.

In its last economic review for 1996, the bureau said the recent sharp depreciation of the rand should increase competitiveness of South African exports. Improving overseas economies are likely to boost exports this year.

"Imports, on the other hand, are likely to be constrained by weaker domestic demand and the rising costs of imports related to the depreciation of the rand," the bureau said.

This should result in a meaningful reduction in the current-account measure of the country's trade deficit, which in turn should make for easier money-market conditions.

As a result, the bureau said a two-percentage-point reduction in the prime rate next year was a distinct possibility, as long as the government did not undertake a rapid end to foreign-exchange controls instead of the gradual policy it has been following. Foreign investment has been too weak to finance South Africa's trade deficit, forcing the central bank to keep interest rates high to discourage consumption of imports.

Yasunari Ueno, chief bond market economist for Fuji Securities Co., Tokyo

The year will not begin well for Japanese securities, Mr. Ueno said.

"The government has failed to find the economic stimulus that will overcome the stagnating effect of the increase in the consumption tax next year," he said. The consumption tax is set to rise to 5 percent in April, from the current 3 percent.

Tokyo's inability to boost growth does not bode well for stocks next year and has also raised concern that foreign investors will no longer be attracted to investments in Japan, Mr. Ueno said.

"When anything goes wrong with the economy, the Japanese are apt to conclude they are under-achievers in comparison to world standards," he added, noting that this past week was a poor one for the country's financial markets. "It's for this reason that stocks, the yen and bond prices fell on concern foreigners were pulling out, even before they got back from Christmas vacation."

David Bostian, chief economist and investment strategist, Herzog, Heine, Geduld, Inc., New York

"My macroeconomic index has signaled a recession coming in the U.S. sometime next year, though it may be a mild one. The consumer is up to the eyeballs in debt, inventories are backing up, and I think corporate profits could be leveraged on the downside. But I'm not saying sell all your stocks. I'm 20 percent in U.S. equities, 30 percent in U.S. bonds, 30 percent cash, 10 percent international stocks and 10 percent in gold.

I'm a long-term bull on high-tech and biotech companies, but wouldn't buy them now. Put some cash aside to pick them up when their prices fall because of serious earnings disappointments. I would stay away from consumer stocks, but the whole energy sector and oil-drilling stocks make sense. A good defensive play would be real estate investment trusts and utilities with high yields."

Compiled from staff, Reuters and Bloomberg Business News reports.

Spirited Investor's Tips Are Beyond Wall Street

By Digby Larner

INGEBORG LILLIE reckons she fares quite well for an amateur investor, especially since she does not follow the financial markets: her investment picks are winners about four times out of five. A trader at a major U.S. stock brokerage is so impressed with her ability that he plans to start a mutual fund using her predictions.

How does she do it? Mrs. Lillie, 64, says she gets her tips from the non-physical world. Her contact on the "other side" is called Babaji — B.J. to his intimates — and, using telepathy and automatic writing, he tells her what investments to pick.

Apart from a small study by university students, there is no independent evidence of her achievements, said Jeffrey Michelove, director of the Intuition Network in San Francisco, which researches psychic phenomena.

"Some economics students in San Diego did a study, which wasn't very far-reaching," he said. "But Mrs. Lillie's predictions are about 80 percent accurate." For the last 20 years, he said, she has assiduously written down each of her predictions.

B.J. started talking to Mrs. Lillie after she had attended a psychic seminar in San Diego more than 20 years ago. She said he had begun by telling her about major political problems to come.

"From the 1970s, he was saying that communism was in a steady decline and would collapse," she said. "And when that Gorbachev came along with all the changes he planned making to try and keep it together, I knew it would still fall apart."

B.J. soon steered Mrs. Lillie toward the financial markets, helping her pick out major trends.

"I started looking at the Dow Jones index when it was around only 800," she said. "Since then, I haven't received any information that didn't say we were in a major upward trend."

So what about Black Monday in 1987?

"Oh, I never call it a crash," she said. "We were predicting a significant correction. And if you look at that period on a long chart now, it hardly looks like anything at all. It's just a little blip. You see a little sharp line going down, then off we go again."

After a while, B.J. had Mrs. Lillie tracking a range of other markets. She was dabbling in stocks and commodities around the world.

"It all got to be too much, though," she said. "Now I concentrate on the Dow."

But Babaji is not in the habit of putting dates to his predictions, so getting in and out of the market at the right time can be tricky. He is also something of a top-down investor, looking at major long-term trends rather than individual stocks. If you want next week's happening stocks, as most investors do, B.J. is not your man.

But the trader who wants to start a Babaji fund and who uses Mrs. Lillie's predictions in his daily work might be. Not surprisingly, he prefers not to be identified, fearing that he could get into trouble with his superiors.

So what can we expect for next year? Is the U.S. bull market finally going to run out of steam?

"We still haven't seen the top," said Mrs. Lillie. "Right now, 7,000 is my next objective." She also believes that Europe's proposed single currency is destined to fail.

"Babaji always said that united Europe thing would never amount to anything," she said. "As for the single currency, it's never going to work."

Surprisingly for someone with an inside line, Mrs. Lillie's own investments are low-key.

"I do a little speculative stuff but I'm mostly very conservative," she said. "I like to have some regular money coming in so I invest mainly in income stocks."

IF YOU think Mrs. Lillie and her stock-broking fan are offbeat, think again. Several major banks in London use a software program developed by a hypnotist, Robert Krausz, that plots astrological movements as a way of predicting market changes.

A spokeswoman for one major bank, who declined to be identified, acknowledged that the bank used the program but said that it accounted for less than 3 percent of the information the bank uses to manage its multi-billion-pound portfolio.

"I have no idea whether there's anything in it," she said. "But if the program shows that historically astrological events and movements in financial markets are linked, then why not use it?"

As for more traditional investment advisers, Mrs. Lillie is a harsh judge. "When I look at what these so-called financial experts achieve, I find it amazing," she said. "I call them charlatans."

Win Some, Lose Some: A Year's Worth of Advice

By Digby Larner

THROUGHOUT THE year, The Money Report has dispensed a plethora of advice gleaned from financial analysts, economists and investment managers. Although no one should invest solely on the basis of information drawn from these pages, it turns out that we often got it right. Apart from digging up a few soon-to-be-happening stocks, we also suggested a number of regions and markets that seemed ready to grow.

Eastern Europe figured high on the list, with Poland and the Czech Republic the favorites. Outside of Europe, we said Egypt looked promising, as did Thailand and Sri Lanka in Asia, plus Brazil and Chile in Latin America.

"You win some, you lose some," said Elizabeth Morrissey of Kleiman International Consultants in Washington, when asked how her tips had fared.

Earlier this year, we asked her to name a few highly speculative plays. Sri Lanka, she said, had a strong economy but failed to translate this good performance into rising stock prices. If the conflict with Tamil guerrillas were resolved, she said, the market would take off.

"Well, the violence didn't stop in Sri Lanka," Ms. Morrissey said, "and that killed the budget and interest rates went up." As a result, the market failed to perform.

But if you invested in Sri Lanka, she said, do not lose heart. She said that although a peaceful settlement was still a key to the market's future, the Sri Lankan government had recently unveiled an investor-friendly budget for 1997 and has an ambitious privatization program ready to go.

Ms. Morrissey had also recommended Polish stocks, and if you took that advice, you would have done well. In Poland, the market is up about 55 percent in dollar terms over the year. When she made her prediction at the beginning of 1996, some analysts believed the 30 percent growth that Polish stocks had enjoyed the previous year was as good as it would get.

In the Czech Republic, we said gross domestic product growth would be about 6 percent, but that this might not be translated into stock prices. We were right about GDP growth, but overly cautious about investments. The Czech stock market has grown more than 20 percent for the year to date, said Arnab Banerji, chief investment adviser with Foreign & Colonial Emerging Markets in London.

That follows a recent correction. If you bought Czech stocks at the beginning of the year and sold them halfway through, you could have done better still.

Across Eastern Europe in general, we said that economic growth would decelerate but that it would remain positive. It has. The average has been pulled down by lower GDP growth in Poland this year. Some analysts believed that the 7 percent Poland achieved in 1995 would fall this year. For the year-end, it looks to be about 5 percent.

Egypt turned in a great performance, surpassing expectations, said Radhika Ajmeri, a director of Abtrust Fund Managers in Britain.

"For the year to date, stocks are up 34 percent," she said. "There are several reasons why. For one thing, Egypt has launched a radical privatization program and with the launch of two Egypt mutual funds there is growing interest from foreign investors. Stocks remain cheap, too, with price/earnings ratios mainly in single digits."

Where we slipped up, however, was with Thailand and Chile. Thailand had a particularly bad year, with the market falling about 35 percent, largely due to concerns over slowing GDP growth and political unrest. Chilean stocks fell 15 percent, because of low copper prices — copper accounts for one-third of Chile's exports — plus high interest rates and the liquidation of a big Chilean mutual fund.

But despite these wrong calls, it

seems that picking regions is much easier than picking individual stocks. When it came to naming good potential investments, our hit-rate dropped. One recommendation was for warrants in the Foreign & Colonial Emerging Markets Investment Trust.

While Foreign & Colonial's Mr. Banerji was not the source of our recommendation, he took responsibility.

"After two years of under-performance in emerging markets relative to the U.S. market, I really thought we were ready to see a correction," he said.

In fact, the warrants were trading at about 35 pence in March and currently stand at 25 pence.

We also focused on BancTec Inc., a Dallas-based manufacturer of information processing equipment for the banking industry. This was another speculative play.

"Since then, they have remained flat thanks to on-going problems over archiving and imaging," said a trader, who asked not to be identified, referring to BancTec shares. He added that fundamentally BancTec remained a good prospect but that it still had to make itself known to investors.

"Right now the business is concentrating on educating Wall Street, explaining to investors exactly what the potential of archiving and imaging really is," he said. "It's growing very nicely but it's not very well-known and isn't followed that closely."

He said the acquisition early in the year of a rival company, Recognition International, for $180 million had initially frightened off investors. Since then, the trader said, Recognition has been well-integrated into the business and BancTec has met its earnings expectations for the year.

"For us, it's still very much a buy stock," he concluded.

In Brazil, the state-run telecommunications business, Telebras, and its electrical industry counterpart, Electrobras, were picked out by The Money Report. Telebras was expected to double its earnings during 1996 and Electrobras was set to benefit from selling off some of its subsidiaries.

In fact, Telebras did exceptionally well, said Josephine Ragni, a Brazil analyst with Foreign & Colonial Emerging Markets.

"It's earnings did indeed double, thanks mainly to tariff increases, and the share price is up 82 percent for the year to date," she said. She added that its earnings were expected to grow by a further 30 percent next year.

Electrobras was less spectacular, with year-to-date growth of 30 percent, but still managed to out-pace the market average of about 28 percent.

For stock markets overall, we predicted a good first half of the year with dramatic corrections in the second half.

"Well, that's way off," said Kenneth King, an equities analyst with Kleinwort Benson in London.

"There hasn't been a dramatic correction in stock prices so far, and despite a recent blip following a speech by Greenspan, they still seem to be heading up."

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d Cpart Fds Inc (US$) B $ 1035.32
d Cpart Inc DM A DM 1063.01
d Cpart Inc DM B DM 1234.79
d Cpart Inc (Lire) A Lit 1185610.00
d Cpart Inc (Lire) B Lit 1185610.00
d Cpart Inc SFR A SFr 1058.32
d Cpart Inc SFR B SFr 1103.09
d Cpart Inc US$ A $ 1041.89
d Cpart Inc US$ B $ 1165.81
d Cpart Inc FFR A FF 1230.34
d Cpart Bd SFR SFr 1170.85
d Cpart Bd US$ $ 1189.36
d Cpart Fds Inc Ptas A/B Ptas 1038.81
d Cpart Growth DM DM 1188.09
d Cpart Growth SFR SFr 1189.99
d Cpart Growth US$ $ 1189.99
d Credis Money Mkt Fd BEF BF 62887.00
d Credis Money Mkt Fd CS SFr 1492.47
d Credis Money Mkt Fd DM DM 1140.52
d Credis Money Mkt Fd Ecu Ecu 1579.82
d Credis Money Mkt Fd FF FF 6499.94
d Credis Money Mkt Fd HFl Fl 1319.84
d Credis Money Mkt Fd Lit Lit 1489721.00
d Credis Money Mkt Fd Ptas Ptas 152760.00
d Credis Money Mkt Fd SF SFr 1436.38
d Credis Money Mkt Fd $ $ 2039.55
d Credis Money Mkt Fd Yen ¥ 142774.00
d Credis Money Mkt Fd $ $ 2273.45
d Credis Eq Fd Emerg Mkts $ 1097.04+y
d Credis Eq Fd Eur Blue Ch A DM 359.72
d Credis Eq Fd Eur Blue Ch B DM 380.40
d Credis Eq Fd France A FF 1298.36
d Credis Eq Fd France B FF 1332.57
d Credis Eq Fd Germany A DM 310.86
d Credis Eq Fd Germany B DM 340.68
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d Credis Eq Fd Italy B Lit 2.92930.00
d Credis Eq Fd Jap Magel SF SFr 207.52
d Credis Eq Fd Jap Magel ¥ ¥ 22740.00
d Credis Eq Fd Jap Magel $ $ 936.34
d Credis Eq Fd Netherlds A FFL 706.49
d Credis Eq Fd Netherlds B FFL 743.63
d Credis Eq Fd NRI-Amer A $ 362.50
d Credis Eq Fd NRI-Amer B $ 378.35
d Credis Eq Fd Oeko-Promo A DM 226.36
d Credis Eq Fd Oeko-Promo B DM 249.46
d Credis Eq Fd Small Cap Eur DM 1367.14
d Credis Eq Fd Small Cap Ger DM 984.16
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d Credis Eq Fd UK B 154.71
d Credis Eq Fd Tiger India $ 1031.42
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d Credis Bond - Mid Cap Switz SFr 1.42.49
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d Energie - Valor SFr 189.11
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d Convert Valor Swf SFr 164.98
d Convert Valor US - Dollar $ 288.49
d Credis Bond Fd Aust A AS 1136.82
d Credis Bond Fd Aust B AS 1180.25
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d Credis Bond Fd Europe A DM 1370.57
d Credis Bond Fd Europe B DM 234.99
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d Credis Bond Fd FF B FF 1230.54
d Credis Bond Fd Golden A ZS 102.72
d Credis Bond Fd Golden B ZS 102.72
d Credis Bond Fd Lire A Lit 2637.45.00
d Credis Bond Fd Lire B Lit 324200.00
d Credis Bond Fd Pesetas A Ptas 21161.60
d Credis Bond Fd Pesetas B Ptas 25684.00
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d Credis Bd Fd Prime Curr B SF 103.27
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d Credis Bond Fd SF A SF 2000.40
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d Asian Recovery Fd $ 1.1.92
d Asian Smaller Coms Fd $ 1.1.92
d Asian Tiger Fd $ 1.1.92
d Dollar Reserve Fd $ 1.1.92
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d Deutsche Mark Income Fd DM 1.1.92
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d Yen Income Fd ¥ 1.1.92
d Yen Bond Fd ¥ 1.1.92
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d Yen Short Cash Fd ¥ 1.1.92
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d Yen Short Money Mkt Fd ¥ 1.1.92
d Swiss Franc Income Fd SF 1.1.92
d Swiss Franc Bond Fd SF 1.1.92
d Swiss Franc Gilt Fd SF 1.1.92
d Swiss Franc Cash Fd SF 1.1.92
d Swiss Franc Liquidity Fd SF 1.1.92
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d Sterling Income Fd £ 1.1.92
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d Canadian Dollar Income Fd C$ 1.1.92
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d Australian Dollar Income Fd A$ 1.1.92
d Australian Dollar Bond Fd A$ 1.1.92
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d Australian Dollar Short Money Mkt Fd A$ 1.1.92
d Hong Kong Dollar Income Fd HK$ 1.1.92
d Hong Kong Dollar Bond Fd HK$ 1.1.92
d Hong Kong Dollar Gilt Fd HK$ 1.1.92
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d Singapore Dollar Income Fd S$ 1.1.92
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d Japanese Yen Income Fd ¥ 1.1.92
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THE MONEY REPORT

Price-to-Sales Ratio Is Surprisingly Useful Tool for Stock Pickers

JAMES GLASSMAN *ON INVESTING*

COULD IT possibly be this simple? According to *some fas*cinating new research, the key to making money in the market is to buy stocks with a low price-to-sales ratio.

Yes, *price to sales!* That is the relationship of a stock's price to the annual revenue a company generates divided by the number of shares outstanding. By contrast with more sophisticated ratios, like price-to-earnings or price-to-book-value, the price-to-sales measure is such a *crude instrument* that hardly anyone pays it notice. In the past, I have heard it extolled by only two analysts: Ken Fisher, who writes a column in Forbes, *and* David Dreman, who runs contrarian mutual funds.

Now, James P. O'Shaughnessy has enshrined price-to-sales in the investing hall of fame. Mr. O'Shaughnessy, a money manager in Greenwich, Connecticut, calls it "the king of the value indicators" in his book, "What Works on Wall Street" (McGraw-Hill).

Mr. O'Shaughnessy, a quantitative analyst, got access to the massive Standard & Poor's Compustat database, which has statistics on the price, dividend, sales and profit performance of more than 10,000 stocks. He used Compustat to find out which stock-picking strategies pay off in real life, then published the results in October.

His most remarkable discovery was the power of the humble price-to-sales ratio. Mr. O'Shaughnessy found that if you had invested in the 50 stocks with the lowest price-to-sales ratio each year from 1952 to 1994, your average annual return would be a spectacular 18.9 percent.

That compares with 14.6 percent for the market as a whole — and 14.7 percent for stocks with low price-to-earnings ratios, a more popular measurement that gauges the ratio of a stock's price to annual earnings per share rather than sales.

Thanks to compounding, an 18.9 percent return doubles your money every four years. A single $10,000 investment in the lowest 50 price-to-sales stocks became $5.9 million from 1952 to 1994.

Mr. O'Shaughnessy also looked at the 50 stocks that had the highest price-to-sales ratios each year. His conclusion: They are "toxic."

Average annual returns were only 8.2 percent, so, instead of rising to $5.9 million in 42 years, a $10,000 investment became only $73,000.

The low price-to-sales strategy beat the market in two out of every three years. But, even better, over 10-year cycles (1952-61, 1953-62, etc.), it whipped the market 91 percent of the time.

There are, however, two problems with this method. First, finding out the ratio is not easy. And, second, I am not sure I understand *why* the strategy works.

While many newspapers publish price-to-earnings ratios for the companies in their daily stock tables, nobody regularly prints the price-to-sales ratio. That means you have to calculate it yourself, finding out how many shares a company has and dividing its annual sales by that number.

S&P's COMPUSTAT (1-212-512-4900, or www.compustat.com), which provided Mr. O'Shaughnessy with his numbers, will perform computer runs for individual investors for a price. For example, I asked Compustat to rank the 20 companies with the lowest price-to-sales ratios, and the company will do far more complicated calculations, using several variables.

Compustat also sells software as a companion to the book.

According to the Value Line Investment Survey, 1996 sales for Intel Corp., the giant computer-chip maker, will be about $20 billion. Also through Value Line, I learned that Intel has about 800 million shares of stock outstanding, so sales per share are $25. Intel stock was recently trading at $137. So, divide stock price per share ($137) by sales per share ($25) and you get a price-to-sales ratio of 5.5. That is very high. As a rule of thumb, investors look for ratios of 1.0 or below.

Some examples of U.S. companies with low price-to-sales ratios are Chrysler Corp. at 0.4; Fisher Scientific International at 0.4; Mobil Corp. at 0.7, and Toll Brothers Inc. at 0.5.

Why does the strategy work? This is an important question. Many systems will give excellent returns when backtested — or applied to a historic database — but those results could merely be random.

For example, you could devise a stock-picking system that called for investing in the 10th, 20th, 30th (and so on) stock listed alphabetically in a newspaper's tables. Back-testing might find that such a system produced a 6 percent annual return over the past 20 years. That is not good enough, so you try the stocks listed 11th, 22d, 33d, etc. Eventually, you will hit in a combination that produces a 20 percent return. But is it a rational system, worth using in real life? Of course not.

The results for price-to-sales backtesting are so striking that they are unlikely to be random. But why does a low price-to-sales strategy work? Mr. O'Shaughnessy, a technician, takes no crack at an explanation in his book. I really do not know for certain, but it is clear that price-to-sales is a good measure of a stock's value. When you can buy a dollar of a company's revenues for 40 cents, you are frequently getting a bargain — since revenues indicate the company's potential (if not actual) earnings, and earnings ultimately track the price of a stock.

Obviously, many companies have loads of sales but never make much in the way of profits. But sales are the raw material from which profits are derived.

There is a decent chance that, through changes in management, operations and product lines, a company with loads of sales will be reorganized to make loads of profits.

A good example is International Business Machines. In the early 1990s, IBM's profits languished, but the company was still selling $65 billion worth of computers and services a year. Its price-to-sales ratio in 1993 was less than 0.5.

IN THAT YEAR, Louis V. Gerstner Jr. became chief executive and turned the company around. Revenue rose, but, more important, so did profit margins. In other words, new management made more money off existing revenue. Today, IBM's ratio is about 1.1.

Still, many low price-to-sales companies are outright dogs. A low ratio means a low price, and often a stock's price is low for a good reason: a company could be flat on its back, with no chance of revival.

The 10 stocks with the lowest price-to-sales ratios at the end of 1995, for example, performed dismally in 1996. Six of them fell in price, including Foxmeyer Health Corp., which dropped to $2 from $27.

Washington Post Service

U.S. Fund Directors Show Little Interest in Challenging Loans

By Michael Brush

INDEPENDENT DIRECTORS of U.S. mutual funds have come under scrutiny for allowing fees on funds to go ever higher. But another practice that has been receiving much less attention raises the same question of whether these directors are, indeed, fulfilling their mandate to act in the interests of shareholders.

At issue is a relatively new high-finance niche in which banks advance loans to mutual fund companies against sales charges and fees they expect to collect from shareholders years in the future. The catch is that the marketing fees involved, called 12b-1 fees, are not automatic but must be approved each year by a fund's independent directors — those appointed from outside the company — as being in the shareholders' interest.

So a fund company that takes out a loan against these fees, before they are even approved, is banking on the continued willingness of the independent directors to approve them. In many cases, the loans are secured by nothing more than this expected stream of income.

This type of loan has become more common as fund investors buy classes of shares that carry continuing fees or deferred sales charges, instead of shares with an initial fee, or load. But for many fund companies, this creates a problem because the brokers who sell the shares want their commissions right away.

To span the gap, banks including Chase Manhattan, Citibank, PNC Bank and the Bank of Boston have been increasingly offering these bridge loans to fund companies over the last two years. In banking circles, the practice is known as "B-share financing," because B shares are a class that typically carries a back-end load, or sales charge that declines and is usually eliminated the longer that the shares are owned.

B shares also typically charge 12b-1 fees to cover sales and distribution expenses, but they cannot be assessed just any time a fund company pleases. To guard against abuse of 12b-1 fees by boards that may be too cozy with the fund advisers and the distributors who collect the fees, the Securities and Exchange Commission says the fees can be levied only if they benefit existing shareholders — for example, by increasing the number of shareholders among which overall fund expenses can be spread. The SEC also says the fees must be re-approved each year by the independent board members.

Given these limits, critics ask: How can fund distributors and advisers — who take out loans spanning several years against 12b-1 fees — assume independent directors will continue to find that those fees are good for shareholders?

"It makes you wonder about how they regard the so-called independence of the independent directors," J. Boyd Page, a shareholder-rights lawyer in Atlanta, said of fund advisers. "They are making the assumption that those fees are going to be approved, when that is not a valid assumption. Things can change a lot over the course of the loan."

The fund may become so big that expansion will not do much to spread out other management fees. Or it may grow so big that management believes it would be better run if it closed to new investors.

"I am not at all shocked by this," said Michael Mulvihill, who studies fund expenses for Morningstar Inc., the researchers in Chicago. "It is understandable that lenders will assume the 12b-1 fees will be approved year after year because, historically, the independent directors, who are responsible for keeping an eye on the fees, have not done a very good job of that when the fees are beneficial to the management company."

Fund companies and the SEC are quick to defend the loans. "The directors have an obligation under 12b-1 to look at these fees every year and decide if they are in the benefit of shareholders," said Bob Graham, chief operating officer and president of AIM Management Group, fund operators in Houston. "Whether we borrow money or not, there is no pressure on the board to vote either way."

Jack W. Murphy, the chief counsel for the SEC's division of investment management, said: "We know about this practice, and we don't see that there is a danger for fund shareholders here. The distributor cannot independently create an obligation on the part of the fund to pay 12b-1 fees. The board makes that decision on an annual basis. If it is not in the best interest of the fund and the shareholders to continue the 12b-1 plan, the board has an obligation to shut it down."

But Mr. Mulvihill said there were few cases in which independent directors ended a 12b-1 plan on their own. "While the rule clearly provides for that," he said, "there is little precedent of independent directors having done it except where management has asked for the termination."

Defenders of continuous 12b-1 fees say they help funds in various ways. Kurt Cerulli, of Cerulli Associates, a consulting firm to funds, stressed the fees' value in helping keep a fund's asset base from shrinking, thus keeping overall fees down. And by supporting the brokerage network to which shareholders turn for guidance, the fees can help funds that aim for clients who want to pay for advice.

Critics do not see how 12b-1 fees, a portion of which are collected daily as a deduction from a fund's net-asset value, do much for investors. "In practice, the main impact of the 12b-1 fee is to help the adviser, even though it was originally sold as an idea to be beneficial to shareholders," Mr. Mulvihill of Morningstar said.

New York Times Service

BRIEFCASE

Japan Institutions: Stock Holdings Up

Japanese life insurers, trust banks and investment advisory firms increased equity holdings in their investment portfolios to 40.1 percent as of the end of November, up 0.6 of a percentage point from a month earlier, according to a survey by Nihon Keizai Shimbun Inc.

Some investors increased their holdings of international blue chips in the overall bearish market.

The percentage of bond holdings was nearly flat at 34.1 percent.

Investors opted against active buying of bonds because of rising concern about downside risk, one investment trust fund manager said.

The survey, conducted jointly with Nikkei Research Inc., covered 28 institutional investors.

(Bridge News)

Ukraine to Boost Investment Image

President Leonid Kuchma of Ukraine said he was hoping to change the "close to negative" image of his country's foreign investment climate next year.

"One of the chief tasks for 1997 is to create a climate of trust, so that foreign investors are not afraid to enter the Ukrainian market," Mr. Kuchma told the National Agency for Reconstruction and Development in Kiev.

Foreign investors and some governments have criticized Ukraine for its imprecise laws, chaotic tax rules, high taxes and corruption.

Ukraine has attracted only about $1.2 billion in foreign investment since it gained independence from the former Soviet Union in 1991.

Foreign investment totaled $375.6 million in the first nine months of 1996.

Mr. Kuchma said foreign investment was of strategic importance for the economy, which, according to official forecasts, is expected to grow in 1997 for the first time since independence. *(Reuters)*

Sao Paulo to Sell State-Run Railroad

The governor of the Brazilian state of Sao Paulo, Mario Covas, has signed a decree for the privatization of the state-owned Paulista Railway, or Fepasa, and all of its assets, the newspaper Estado do Sao Paulo reported.

"The objective is to put the entire railway and all its assets" up for sale, the paper quoted the decree as saying.

The decree calls for Fepasa to be sold at an auction. The newspaper said a minimum price for the railroad would be set by state officials.

Some of the money from the sale is likely to go toward paying off Sao Paulo's debt to the federal government, the paper said.

The state and the central government reached a landmark deal recently to restructure $40 billion of the state's debt.

The deal required that Sao Paulo sell off many of its assets, such as railroads, airports and power companies, in exchange for more lenient terms on its debt. *(Reuters)*

Russia Bank Sets Deregulation Plan

Russia's central bank will publish in February a timetable of measures to ease limits on the repatriation of profits on foreign investment in government securities, a bank spokesman said Friday.

The spokesman gave no details of the plan.

Sergei Dubinin, the bank's chairman, said this month that the central bank would ease repatriation requirements by reducing the number of transactions related to nonresident government securities accounts that must be carried out through the bank and by lowering the yield on securities held through such accounts.

On Friday, the bank announced two such measures. It said it would reduce the guaranteed yield on nonresident S accounts for treasury bills and certain government bonds to 12.5 percent from 13.0 percent on Jan. 16.

It also said it would reduce requirements for commercial banks to offset currency deals with the central bank for nonresident government securities accounts on Jan. 16.

Commercial banks must carry out reverse compensatory deals with the central bank, at rates set by the central bank, for currency transactions related to S accounts.

The required volume of such compensatory deals will be lowered to 65 percent from 75 percent on Jan. 16, the spokesman said.

Earnings from government securities held by nonresidents can only be repatriated from Russia using forward or option contracts.

The offsetting deals allow the central bank to influence the rates on such deals.

(Reuters)

Paribas Is Bullish On Finland's Orion

Paribas has targeted the Finnish pharmaceuticals group Orion-yhtyma Oy as a growth company next year and recommends buying the company's shares, the Finnish business daily Kauppalehti reported.

The investment house expects Orion's net profit to rise to 554 million markka ($199 million) next year and to 652 million markka in 1998, the paper said.

Orion's 1995 net profit was 544.2 million markka.

Paribas predicted that sales of Orion's breast cancer drug Fareston and its Comtan Parkinson's disease drug — both new developments — could rise to 1.6 billion markka by the year 2003.

Orion's profits could rise to 860 million markka by the year 2000, with net sales rising to 5.5 billion markka and earnings per share to 17.2 markka, the paper said.

Paribas had a "buy" recommendation on the share and said the share price could rise by about 28 percent, the paper said.

Orion, which trades at about 15 times the company's earnings, was clearly undervalued in comparison with leading pharmaceuticals companies that have corresponding ratios of more than 20, Kauppalehti quoted the bank as saying. *(Reuters)*

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WORLD ROUNDUP

India Is Routed

CRICKET Some superb fast bowling from Allan Donald gave South Africa a stranglehold on the first test against India on Friday in Durban, South Africa.

Donald, spearheading a four-man pace attack, took five for 40 as India was routed for 100 in only 39.1 overs — its lowest five-day total against South Africa.

That gave South Africa an imposing first-innings lead of 135. Opener Andrew Hudson, who made the top score of 80 first time around, and Adam Bacher then built on that with a second-wicket partnership of 111 as the home team closed on 164 for four in their second innings. *(Reuters)*

• In Melbourne, the West Indies recovered from the disappointment of another failure by the team's top batsman, Brian Lara, to gain a slender advantage over Australia in the third test.

Lara, the world-record holder for scores in test and first-class cricket, fell cheaply after being tormented again by the fast bowler Glenn McGrath. Lara's prized scalp was one of five claimed by McGrath to leave the match delicately poised at the close on the second day at the Melbourne Cricket Ground. With three days left to play, West Indies is 233 for nine in 103 overs, a lead of 14 runs, in reply to Australia's first innings 219 all out. *(Reuters)*

• A thunderstorm that allowed just four deliveries after tea left Zimbabwe strongly placed at 93 for two in reply to England's 156 in the second test in Harare. *(Reuters)*

Virus Sidelines Graf

TENNIS Steffi Graf has withdrawn from the Hopman Cup mixed-team tennis event because of a virus, tournament officials in Perth, Australia, said Friday.

Graf will be replaced by Petra Begerow, 21, who is ranked 63d in the world. Begerow will team with Bernd Karbacher in the event, which begins Sunday.

Officials said Graf contracted a virus with a high fever on Christmas Day and had been ordered by doctors not to travel for four or five days. It was Graf's third cancellation of a Hopman Cup appearance in three years. *(AP)*

Super Dreams Abound As Playoffs Kick Off

Cowboys Are Favored to Advance

By Timothy Smith
New York Times Service

NFL MATCHUPS

Jacksonville (9-7) at Buffalo (10-6) *Key stats:* The Jacksonville quarterback Mark Brunell hasn't thrown an interception in 119 pass attempts spanning four games. In the last four games the Buffalo Bills offense committed 13 turnovers, which were converted into 39 points, while the defense forced two turnovers that were converted into seven points.

Comments: This Saturday matchup is one of grizzled playoff veterans (the Bills) versus the youngsters (the Jaguars). The Bills' coach, Marv Levy, who has guided his team to eight playoffs in the last nine years, is discounting the experience factor. He's more concerned about Brunell, who has a way of stretching defenses to the breaking point with his arm and legs.

The Bills' offense has been stuck in neutral for much of the year, but the defense is strong. Under normal circumstances the Jags could stay with the Bills. But this is the playoffs, and the Bills have the upper hand in that department. *Prediction: Buffalo, 24-21.*

Minnesota (9-7) at Dallas (10-6) *Key stats:* The Cowboys' offensive line allowed the fewest sacks in the league this year, 19, on a regular-season total of 506 pass plays. Minnesota quarterback Brad Johnson has thrown for nine touchdowns and three interceptions in the last four weeks.

Comments: The Cowboys' stars should be well-rested for this game on Saturday, after standing on the sidelines for last week's loss to the Redskins. This is a matchup that fits into what the Cowboys like to do, which is run the ball. The Vikings have an undersized defensive front, which can be pushed around by the Cowboys' massive offensive line. Once they establish the run, it will only be a matter of time before quarterback Troy Aikman gets to work on the play-action pass. Look for a well-rested Emmitt Smith to try to get into playoff form against the Vikings.

The Cowboys' defense will do likewise against Johnson. *Dallas, 27-16.*

Indianapolis (9-7) at Pittsburgh (10-6) *Key stats:* The Colts are 0-9, including 0-2 in the playoffs, in games at Three Rivers Stadium. The Steelers' defense averages 3.2 sacks per game; its 51 sacks ranks No. 2 in the NFL.

Comments: The Colts are traveling the same wild-card road they took last year, except this time instead of it ending in Pittsburgh it will begin there.

This game on Sunday is a rematch of last year's AFC Championship game where the Colts were a fingertip away from going to the Super Bowl when Jim Harbaugh's 29-yard last-second pass was knocked away in the end zone. The Colts have no fear of Pittsburgh, but they do have a healthy respect for the Steelers' defense. Pittsburgh Coach Bill Cowher has promised a bigger dose of quarterback Kordell Stewart. It will be enough to derail the tenacious Colts. *Pittsburgh, 23-19.*

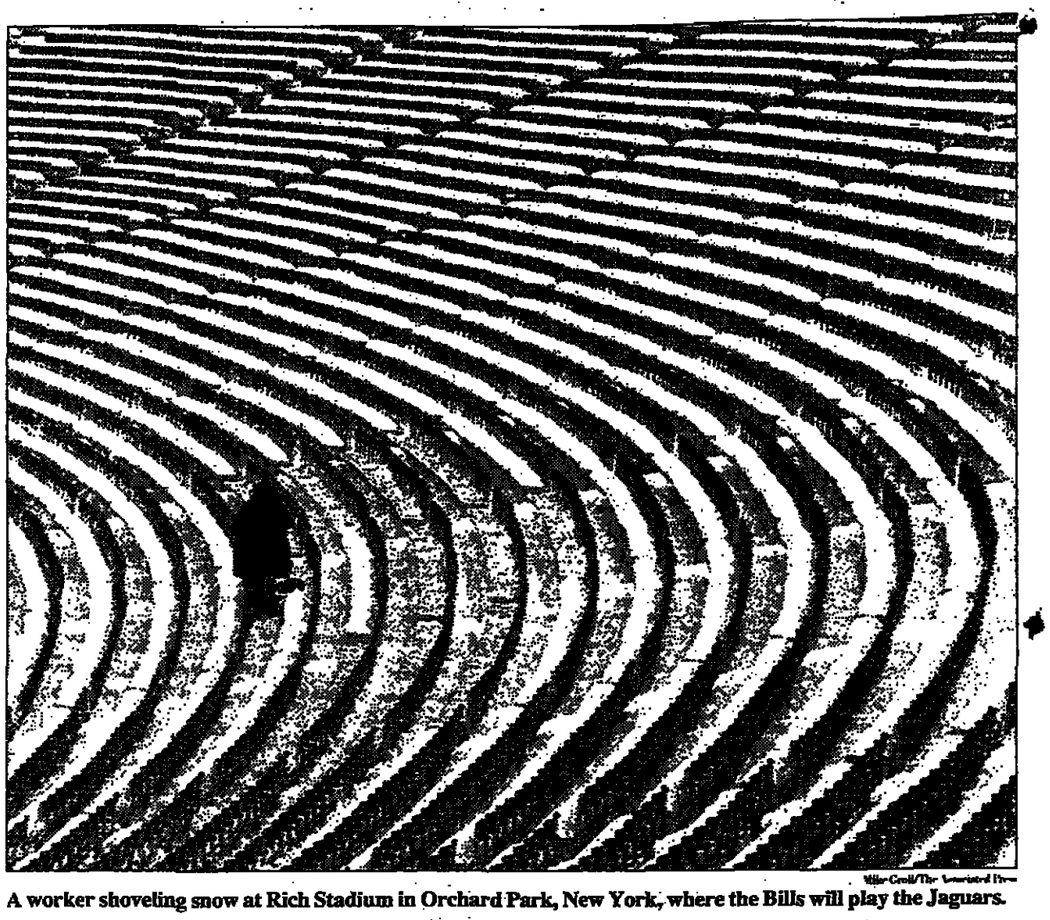
Philadelphia (10-6) at San Francisco (12-4) *Key stats:* Of quarterback Ty Detmer's 225 completions in his 11 starts for the Eagles, almost one third (67) have been caught by receiver Irving Fryar. San Francisco has won three of its last four playoff games at home, outscoring opponents 143-73.

Comments: The head coaches, Ray Rhodes and George Seifert, are very familiar with each other, having worked together when Rhodes was the 49ers' defensive coordinator two years ago. So you can bet that each will know what the other is thinking on Sunday. The problem for the Eagles is that they don't have enough talent to counter what the 49ers will do on offense or defense.

Jerry Rice and tight end Brent Jones will stretch the Eagles' defense to the limit, and the 49ers' short passing game will make up for any deficiencies in the rushing attack. Eagles running back Ricky Watters would like nothing better than to take revenge against his former team. But the Eagles don't have enough to win. *San Francisco, 31-22.*

■ Redskins Fire Defensive Chief

The Washington Redskins fired defensive coordinator Ron Lynn on Friday, the Associated Press reported from Ashburn, Virginia. Lynn had been with the team since 1994, when he was brought in by head coach Norv Turner.



Mike Groll/The Associated Press
A worker shoveling snow at Rich Stadium in Orchard Park, New York, where the Bills will play the Jaguars.

Camby Lifts Raptors Over the Nets

By Selena Roberts
New York Times Service

HAMILTON, Ontario — Marcus Camby would repeatedly crash to the court for John Calipari, even if it was only a college practice drill.

He would do this until his sides were sore, his knees were skinned and his ribs ached, all because Calipari, his coach at the University of Massachusetts, demanded it. Now both player and coach are in the National Basketball Association, and maybe Calipari has not got that idea through to the pedestrian New Jersey Nets.

But the reflex is still alive in Camby. He dove until it hurt Thursday night to help the Toronto Raptors beat New Jersey, 98-96, coming up with a loose ball and a blocked shot in the final 15 seconds to ruin a last-minute comeback by Calipari's team.

"He did what they needed," Kerry Kittles of the Nets said. "Marcus changed the course of the game."

And what timing. Camby was activated Thursday after aggravating a lower-back sprain Dec. 5. He had been sitting on the bench while controversy played out around him.

A week ago, Wesley Spears, a lawyer from Camby's hometown of Hartford, was charged with attempted extortion and with promoting prostitution in an affidavit that accused Spears of paying a woman to have sex with Camby and two friends in their UMass dorm. The charges were against Spears, an agent who allegedly tried to secure Camby as a client with gifts and money, but it is Camby's image that has curdled in the melee.

On Thursday, Camby scored 13 points, snared 9 rebounds and blocked 3 shots in 24 minutes off the bench.

He slapped away a driving layup by a very hot Robert Pack (27 points) with 14.9 seconds left and the Nets down by 4 points. That act was followed by a dive to the floor for a loose ball 3 seconds later.

"How about the loose balls with the game on the line?" Calipari said. "Not one of our guys dives for it. Who does? Camby did."

In games reported by The Associated Press:

Hawks 108, Bulls 103 Christian Laettner scored a career-high 37 points and had a season-high 14 rebounds as the host Hawks snapped Chicago's eight-game winning streak.

Mookie Blaylock added 24 points and Steve Smith scored six of his 18 on free throws in the final 39 seconds. Michael Jordan led the Bulls with 34 points and Scottie Pippen added 20.

Pacers 95, Pistons 89 Reggie Miller scored 23 points and Eddie Johnson had all of his season-high 14 in the fourth quarter as visiting Indiana pulled out a wild overtime victory against Detroit.

Indiana led, 80-74, with a minute to play in regulation, but Grant Hill scored eight points in the final 51 seconds, including the tying layup with 2.5 seconds to go.

Timberwolves 88, Knicks 80 In Minneapolis, rookie Stephon Marbury scored 13 of his 27 points in the third quarter as Minnesota rallied from a 16-point deficit to surprise New York.

Tom Gugliotta finished with 22 points and 10 boards and Kevin Garnett added 20 points and 12 rebounds for the Wolves.

Heat 96, Magic 75 Miami held visiting Orlando to 37-percent shooting and received an offensive spark from reserves Isaac Austin and Voshon Lenard.

Austin scored 17 points and Lenard 14, including three 3-pointers. The Miami bench players outscored Orlando's reserves, 37-15.

Rockets 101, Bucks 90 In Milwaukee, Charles Barkley returned from a two-game suspension and had 20 points and 16 rebounds to help Houston snap its four-game losing streak.

Barkley had been suspended for scratching the nose of referee Jack Nies during an altercation in the Rockets' game against San Antonio a week ago. Hakeem Olajuwon scored a game-high 29 points and Clyde Drexler had 20 for the Rockets.

76ers 118, Nuggets 89 In Denver, Allen Iverson broke out of a shooting slump to score 31 points and Jerry Stackhouse added 20 as Philadelphia snapped a 10-game losing streak.

Dale Ellis had 15 points for Denver, which saw its three-game winning streak come to an end.

Jazz 99, Trail Blazers 94 At Salt Lake City, Karl Malone scored 24 points and Bryon Russell had 23 for the Jazz, who closed the game with a 23-10 run. Malone had seven points and Russell five in the deciding stretch.

SuperSonics 94, Spurs 86 Gary Payton and Shawn Kemp scored 20 points each as Seattle won at home and moved back into first place in the Pacific Division ahead of the idle Los Angeles Lakers.

Kings 111, Grizzlies 88 At Sacramento, Olden Polynice and Mitch Richmond scored 18 points each as the Kings posted their largest margin of victory this season and rolled to their fourth consecutive victory.

Warriors 113, Mavericks 108 The Mavericks, after trading Jason Kidd, were outplayed over the final 3½ minutes and lost to visiting Golden State. Joe Smith had 30 points and 16 rebounds and Latrell Sprewell added 27 points.

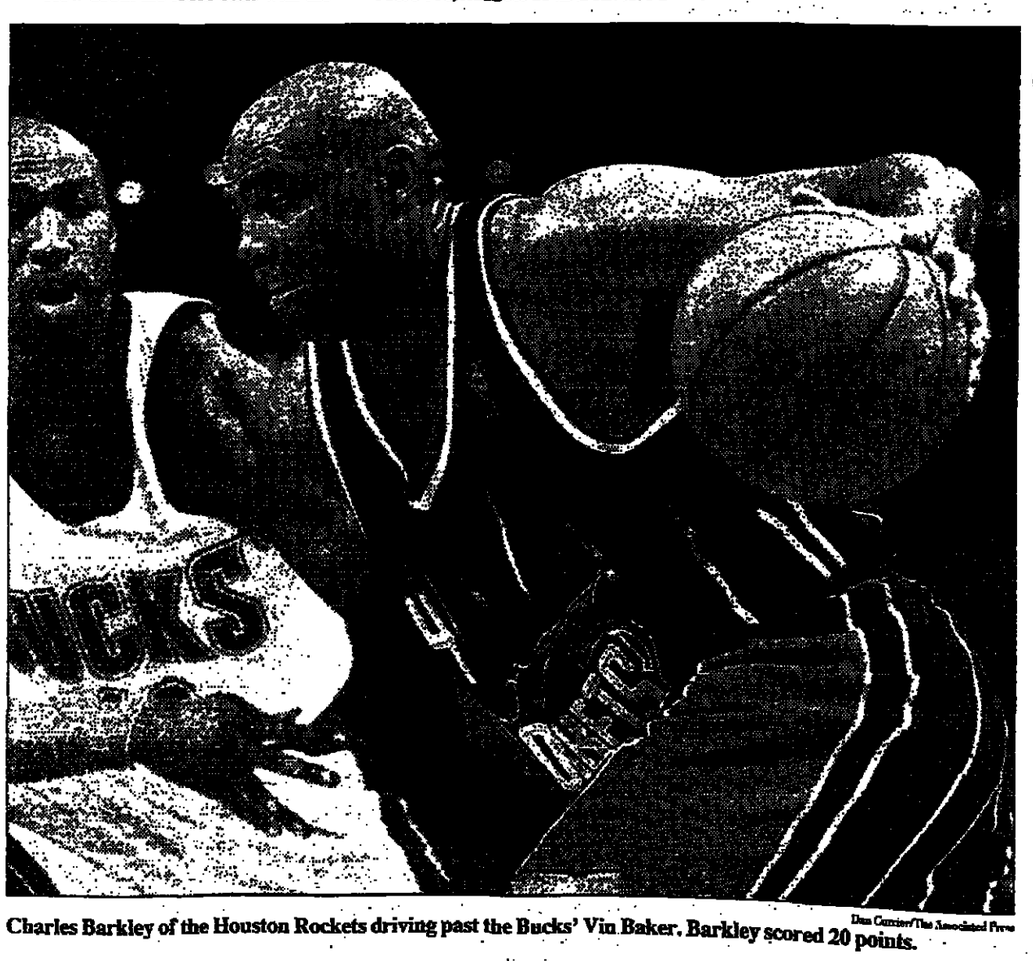
■ Dallas Trades Kidd to Phoenix

The Dallas Mavericks traded their marquee player, Jason Kidd, and two reserves to the Phoenix Suns for Sam Cassell, A.C. Green, Michael Finley and a second-round draft choice in either 1997 or 1998, The Associated Press reported from Dallas.

Jim Cleamons, the Dallas coach, had spoken to ownership several weeks ago about his frustration with Kidd, who did not like the coach's offense and was having trouble adjusting to the team-first attitude Cleamons was trying to instill. "The owners have made it clear whenever they want to make a move, they're going to make a move," said Jim Jackson, Kidd's backcourt mate and occasional off-court adversary.

Kidd was told of the deal shortly before Dallas's 113-108 loss to Golden State.

NBA ROUNDUP



Dan Gunzer/The Associated Press
Charles Barkley of the Houston Rockets driving past the Bucks' Vin Baker. Barkley scored 20 points.

British Yachtsman Saves French Rival In a Race for Life

Compiled by Our Staff From Dispatches

PERTH, Australia — Raphael Dinelli, a French yachtsman sailing in a solo, round-the-world race, was rescued by a rival British sailor on Friday, more than a day after monstrous seas crippled and swamped his vessel in the southern Indian Ocean.

The Australian Maritime Safety Authority said that a British competitor, Peter Goss, brought his sloop "Aquaquorum" alongside an emergency raft near Dinelli's half-submerged "Algimouss" around 8 A.M. local time.

"Dinelli is in good spirits and is suffering only from slight hypothermia," said an authority spokesman, Dave Gray.

Dinelli, 28, and Goss were both taking part in the Vendee Globe round-the-world race, which started in Les Sables d'Olonne, France, on Nov. 3.

Dinelli activated a distress radio beacon soon after his boat lost its mast and foundered in a fierce storm early Thursday. He was later sighted by a Royal Australian Air Force plane 1,365 miles (2,185 kilometers) southwest of Perth, far from regular shipping lanes.

Rescuers said they saw Dinelli frantically waving at the plane as he stood in knee-high, near-freezing water on his 60-foot (18-meter) boat, which was floating just below the surface of the ocean. He abandoned his stricken yacht and spent Thursday night in an emergency raft dropped from the plane.

Goss, who was sailing nearby, was asked to change course to save his rival. He spent the night racing to the scene. A second plane guided Goss to Dinelli on Friday morning. It circled above as the Frenchman jumped aboard the British vessel.

In November 1992, a British yachtsman, Nigel Burgess, died while competing in the race when his boat encountered turbulent seas. A day after he sent out a distress signal, Burgess's body was found by French Navy divers off the coast of Galicia, a Spanish province. Burgess, then 49 and a resident of Monaco, was an experienced sailor who had crossed the Atlantic alone three times.

Two weeks before Burgess's death, an American yachtsman, Mike Plant, who was sailing solo from New York to Les Sables d'Olonne to compete in the same race, was reported missing. Plant's yacht, "Coyote," was later found about 700 miles southwest of Ireland, but no trace of the sailor was ever found.

On Friday, Gray said that Goss and Dinelli told rescuers by radio that they had decided to sail another 2,000 miles east to Hobart, in Tasmania, rather than divert to a closer port. This would allow Goss to stay in the race. Hobart, which is eight to nine sailing days away, is the next port of call for the competition.

Gray said strong winds and big seas had abated in time for Goss's arrival. The French organizers of the race said Dinelli had been competing unofficially.

They had barred his entry shortly before the race began, saying he had not done enough sailing to qualify for the grueling event.

An Australian Air Force spokesman, Dave Cusworth, said no attempt would be made to salvage Dinelli's boat. "The yacht has been lost without a trace," he said. "Everything's under water. We won't be going back to find it."

The West Australian newspaper reported Friday that before being swamped, Dinelli had sent a message on the Internet describing how his boat had surfed down the sides of huge waves and had pounded through big troughs.

"The boat went on the side two or three times, but wasn't knocked down," he wrote. "It was like I was in a rocket during the takeoff." *(AP, Reuters, NYT)*

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ITALY	ITL	145,600	58,000	60%
LUXEMBOURG	LFR	3,3800	1,350	60%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
PORTUGAL	ESC	11,960	5,000	58%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
SWITZERLAND	CHF	166	66	60%
ELSEWHERE	$	—	50	—

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SPORTS

Women's Sports: A Golden Year

By Barbara Huebner
The Boston Globe

AFTER pausing for 17 days last summer to absorb the warmth of the Olympic flame, advocates of women's professional sports — some of whom have been laying groundwork for years — have resumed toiling behind the scenes to make women's pro leagues a reality.

Most feel reassured by the athletes' success, and the public's embrace, that funding will be found, sponsors will come forward, television will take notice — and the time is finally right.

Dick Schultz, the U.S. Olympic Committee's executive director, was so moved by the cache of gold medals in women's team sports that turned heads and made headlines, that he proclaimed "this may have been the Games of our women."

Almost five months later, Sally Jenkins sees no "may" about it.

Jenkins, the former Sports Illustrated writer who is helping found a women's sports magazine, says she is convinced the Atlanta Games someday will be grouped with the passage of Title IX in 1972 and Billie Jean King's defeat of Bobby Riggs a year later as "one of the seminal events for women's sports — for women, period."

Many observers agree that the visibility gained by women's team sports in the Atlanta Olympics may be the big boost needed to get women's professional leagues established, first in the United States, later in other countries.

"Having a venue that is as highly watched as the Olympics has raised the consciousness of the American public of the level of play of women's sports today," said Jo Harlow, vice president of U.S. brand marketing for Reebok International Ltd., the founding sponsor of the fledgling American Basketball League.

Or, as softball pitcher Lisa Fernandez put it, millions of spectators and TV viewers got to watch women "be aggressive and bleed and play and dive for balls. And be respected."

In the afterglow of the Olympic flame:

• The American Basketball League kicked off its inaugural season Oct. 18. Midway through, attendance is running slightly ahead of projections, new investors are surfacing and plans have also been announced to add two teams next season to the current eight.

• A second women's pro league, the WNBA, has signed Olympians Rebecca Lobo, Sheryl Swoopes and Lisa Leslie, among others, and will begin its 10-week season June 21.

• Women's Professional Fastpitch will launch in the southeastern United States, a six-team pro softball league in June.

• A group that includes Tony DiCicco, national team coach; and Anson Dorrance, soccer coach at the University of North Carolina, is at the drawing board designing a women's soccer tour next fall, looking to build toward the start of a full-fledged professional league after the 2000 Olympics.

For athletes and their coaches, who worry about maintaining top skills and the public's attention, this all can't happen too soon.

"Obviously it's hard to keep that momentum going. That's going to be our biggest challenge next year," said Julie Foudy, co-captain of the gold-medal Olympic soccer team.

OTHER ventures are progressing as well: a new magazine, Conde Nast Sports for Women, is expected to hit the newsstands next fall, and Sports Illustrated for Kids in November debuted a 16-page section for its female subscribers called Girls and Sports Extra. Even Sports Illustrated itself, long accused of giving short shrift to women's sports, is discussing expansion of its coverage, perhaps even a spin-off.

"I feel as if 1996 was kind of a banner year or signpost on this long journey for women in sports," said Lucy Danziger, editor of Conde Nast Sports for Women. "It didn't start here, but this certainly was when a lot of people sat up and took notice."

In 1970, one in 27 girls played high school sports. By 1996, it was 1 in 3, thanks in large part to Title IX of the 1972 U.S. Education Act, which prohibits gender discrimination in programs — including schools — that receive federal funds. As Title IX approaches its 25th anniversary June 23, it brings with it the first generation of women with wider access to team sports, coaching and development.

"People who maybe picked up the sports pages for the first time during the Olympics thought, gee, this happened fast," said Donna de Varona, a sports broadcaster for the television network ABC and winner of two 1964 Olympic gold medals in swimming. "But it didn't. It takes a long time to build a bridge."

And 20 years of parents watching daughters play sports and loving it.

"As men want more and more opportunities for their daughters, all of a sudden the light bulb turns on," said Claire D'Amour, vice president of corporate affairs for the Big Y supermarket chain, which sponsors the New England Blizzard of the American Basketball League.

Donna Lopiano, executive director of the Women's Sports Foundation, says, so far, so good, but now "the development of women's professional team sports is critical. When you look at men's sports, what gets covered? What do you see every day? Not the Olympic Games. It is professional team sports. It's leagues."

Since the Summer Games, women's basketball has been the focus of attention. First the ABL began play and got some TV coverage. The ABL, knowing a good thing when it sees it, has built off loyal college fans by putting its teams near popular programs and keeping players such as Jennifer Rizzotti, formerly of the University of Connecticut and now with the Blizzard.

Finding corporate sponsorship for women's team sports, however, is a challenge. "There are still very few companies in the world willing to put dollars either behind girls' sports or professional sports for women," said Liz Dolan, vice president for marketing at Nike Inc. "I think it will change now. We're only just getting the first generation of businesswomen who were beneficiaries of Title IX. Just as it changed sports as you saw at the Olympics, you now will see business decisions being made by women who were athletes when they were in high school and college."

The revolution in women's sports has come on so quickly that, Dolan warned, "the money can't simultaneously go into women's basketball and women's soccer and women's volleyball and women's softball — they will likely roll out over time as each is successful."

Lopiano added that the time seemed ripe for progress in women's professional team sports: "Nothing is different yet, but the stage is set."

Steve Crisp/Reuters

The Canadiens' Martin Rucinsky, left, trying to prevent the Penguins' J. J. Daigneault from clearing the puck.

Fedorov Scores All 5 Red Wings' Goals

The Associated Press

Sergei Fedorov scored five goals, including the game-winner in overtime, as the Detroit Red Wings beat the Washington Capitals, 5-4.

After scoring twice in the third period Thursday night to draw host Detroit into a 4-4 tie, Fedorov took a pass from Vladimir Konstantinov and wristed it past the Capitals' goalie, Jim Carey, at 2:39 of overtime.

It was the first five-goal game in the National Hockey League this season, and the first of Fedorov's career. Konstantinov assisted on four of Fedorov's goals, while Igor Larionov had three assists. Peter Bondra scored twice for the Capitals. Andrei Nikolishin and Dale Hunter also had goals for Washington.

Senators 5, Rangers 2 Alexei Yashin scored his team-leading 14th and 15th goals and added an assist as Ottawa beat visiting New York. Jason Zent, Sergei Zholtok and Alexandre Daigle also scored for the Senators, who halted the Rangers' five-game winning streak and ended Wayne Gretzky's 12-game point streak.

NHL ROUNDUP

Sabres 5, Whalers 1 Dixon Ward scored on Buffalo's first shot of the game and Dominik Hasek made 26 saves as the visiting Sabres opened a three-point lead over Hartford in the Northeast Division.

Islanders 4, Devils 1 The host Islanders scored four times in the final period, including Zigmund Palffy's go-ahead goal at 6:03, to snap a three-game losing streak.

Panthers 3, Lightning 3 In Tampa, Martin Straka and Dave Lowry scored in a 3:26 span of the third period as Florida rallied to tie Tampa Bay.

Canadiens 3, Penguins 3 Mario Lemieux capped a three-goal rally in the third period with his 24th of the season as host Pittsburgh extended Montreal's winless streak to six. Lemieux, Jaromir Jagr and Ron Francis had a hand in each of the goals. Jagr had his league-leading 33d goal and Francis added two assists for Pittsburgh.

Blues 4, Blackhawks 4 In Chicago, Brett Hull scored his second goal of the game with 10:28 left in regulation as St. Louis squandered a three-goal lead, fell behind, then rallied to tie Chicago.

Hull, who on Saturday became the 24th player in NHL history to get 500 career goals, has five goals in two games after going two weeks without scoring. His outburst began days after the Blues fired coach Mike Keenan, with whom Hull had feuded.

Kings 5, Coyotes 2 Philippe Boucher's power-play goal snapped a 0-for-34 streak, and Los Angeles used three first-period goals to beat visiting Phoenix.

Sharks 6, Canucks 1 Andrei Nazarov scored just 15 seconds into the game, the quickest goal in Sharks' history, and host San Jose went on to beat Vancouver.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	21	7	.750	—
New York	19	8	.704	1½
Washington	13	13	.500	7
Orlando	10	14	.417	9
Philadelphia	8	18	.308	12
New Jersey	6	18	.250	13
Boston	5	19	.208	14

CENTRAL DIVISION

Chicago	25	4	.862	—
Detroit	20	7	.741	4
Cleveland	17	9	.654	6½
Atlanta	16	10	.615	7½
Charlotte	15	11	.577	8½
Milwaukee	15	12	.556	9
Indiana	13	12	.520	10
Toronto	10	18	.357	14½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	22	6	.786	—
Utah	21	6	.778	½
Minnesota	11	17	.393	11
Dallas	9	17	.346	12
Denver	8	20	.286	14
San Antonio	6	19	.240	14½
Vancouver	6	23	.207	16½

PACIFIC DIVISION

Seattle	21	9	.700	—
L.A. Lakers	20	9	.690	½
Portland	14	15	.483	6½
Sacramento	12	17	.414	8½
Golden State	11	17	.393	9
L.A. Clippers	10	18	.357	10
Phoenix	8	19	.296	11½

THURSDAY'S RESULTS

Golden State 22 38 30 25—113
Dallas 26 23 25 34—108

G.S.: Smith 13-24 4-5 30, Sprewell 10-20 5-6 27; D: Gattlig 9-15 7-8 25, McCloud 8-17 2-2 22. Rebounds—Golden State 48 (Smith 16), Dallas 38 (Montross 10). Assists—Golden State 26 (Price 8), Dallas 24 (Harper 9).

Philadelphia 21 35 39 23—118
Denver 22 20 26 21— 89

P: Iverson 13-19 4-5 31, Stackhouse 8-16 2-2 20; D: D.Ellis 6-17 2-2 15, Stith 3-11 7-8 13. Rebounds—Philadelphia 51 (Weatherspoon 10), Denver 55 (McDyess, Ellis 9). Assists—Philadelphia 22 (Iverson 6), Denver 27 (Jackson 13).

Portland 30 18 21 25— 94
Utah 18 30 32 30— 99

P: Sabonis 8-13 8-8 26, Rider 7-15 2-3 19; U: Malone 10-20 4-7 24, Russell 8-9 5-9 22. Rebounds—Portland 45 (Sabonis 13), Utah 36 (Malone 9). Assists—Portland 17 (K.Anderson 8), Utah 28 (Stockton 11).

San Antonio 22 28 30 24— 86
Seattle 29 23 19 23— 94

S.A.: Elliott 5-8 7-7 17, Wilkins 8-15 1-1 17; S: Kemp 8-12 4-8 20, Payton 8-19 4-6 20. Rebounds—San Antonio 34 (Wilkins 7), Seattle 48 (Kemp 17). Assists—San Antonio 19 (Elliott, Johnson 6), Seattle 24 (Schrempf 7).

Vancouver 21 26 28 21— 88
Sacramento 38 27 22 24—111

V: Abdur-Rahim 4-16 8-8 20, Rogers 7-9 2-3 16; S: Polynice 8-15 2-6 18, Richmond 7-12 1-1 18. Rebounds—Vancouver 43 (Abdur-Rahim 9), Sacramento 67 (M.Smith 12). Assists—Vancouver 22 (Peeler, Norris 6), Sacramento 25 (M.Smith 6).

New Jersey 22 26 19 29— 96
Toronto 21 28 19 30— 98

N.J.: Pack 11-23 5-9 27, Gill 8-16 6-11 23; T: Stoudamire 4-17 8-11 18, W.Williams 6-12 4-4 17. Rebounds—New Jersey 57 (Gill 13), Toronto 62 (Jones 11). Assists—New Jersey 28 (Pack 9), Toronto 26 (Christie 26).

Chicago 27 26 22 28—103
Atlanta 30 26 22 30—108

C: Jordan 10-25 12-13 34, Pippen 9-14 1-2 20; A: Laettner 12-23 12-12 37, Blaylock 9-18 2-4 24. Rebounds—Chicago 50 (Rodman, Parish 10), Atlanta 53 (Laettner 14). Assists—Chicago 19 (Harper 4), Atlanta 12 (Blaylock 5).

Indiana 18 25 17 22 13— 95
Detroit 16 29 20 17 7— 89

I: Miller 7-17 4-4 23, A.Davis 6-10 3-5 15; D: Hill 6-20 7-10 19, Hunter 7-21 1-1 16. Rebounds—Indiana 69 (D.Davis 21), Detroit 50 (Hill 16). Assists—Indiana 28 (Best, Allen 6), Detroit 19 (Hill 7).

Orlando 15 18 21 22— 76
Miami 22 28 13 33— 96

O: Scott 6-14 2-2 18, Wilkins 4-13 3-5 12, Shaw 4-9 2-2 12. Rebounds—Orlando 44 (Grant, Selkaly 9), Miami 49 (Mourning 10). Assists—Orlando 18 (Shaw 6), Miami 21 (Hardaway 10).

New York 24 28 18 18— 88
Milwaukee 21 22 22 21— 86

N.Y.: Johnson 7-15 0-0 14, Ewing 6-17 1-4 13; M: Gugliotta 7-11 8-8 22, Garnett 6-16 8-8 20. Rebounds—New York 52 (Oakley 11), Minnesota 49 (Garnett 12). Assists—New York 20 (Johnson 6), Minnesota 18 (Marbury 7).

Houston 34 28 25 22—107
Milwaukee 27 17 22 24— 90

H: Olajuwon 14-18 1-1 29, Barkley 7-17 5-7 20, Drexler 6-10 6-8 20; M: Baker 7-14 6-10 23, Douglas 7-12 2-3 16. Rebounds—Houston 37 (Barkley 16), Milwaukee 36 (Baker 10). Assists—Houston 23 (Drexler 8), Milwaukee 22 (Douglas 8).

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Florida	20	8	8	48	111	86
Philadelphia	21	12	3	45	110	86
New Jersey	19	12	3	41	90	81
N.Y. Rangers	18	15	5	41	133	105
Washington	15	19	2	32	98	101
N.Y. Islanders	12	15	8	32	94	97
Tampa Bay	11	19	4	26	95	109

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	19	14	3	41	108	96
Pittsburgh	17	15	4	38	128	120
Hartford	16	12	6	38	105	111
Boston	13	15	6	32	97	117
Montreal	12	18	6	30	114	128
Ottawa	11	15	7	29	92	99

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	21	11	3	45	100	80
Detroit	19	11	6	44	109	72
St. Louis	16	19	2	34	105	124
Phoenix	15	17	4	34	92	113
Chicago	14	18	6	34	95	99
Toronto	14	22	0	28	109	129

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	20	10	5	45	123	85
Edmonton	15	18	4	34	121	114
Vancouver	16	17	1	33	101	111
Calgary	13	19	5	31	93	106
Anaheim	12	17	5	29	98	107
San Jose	13	18	4	30	89	111
Los Angeles	13	19	4	30	98	122

THURSDAY'S RESULTS

N.Y. Rangers 0 1 1—2
Ottawa 2 2 1—5

First Period: O-Yashin 14 (Dalgie) (pp). 2, O-Zent 1 (Chasse) Second Period: O-Yashin 15 (Alfredsson, Musil) 4, New York, Messier 19 (Kovalev, Leetch) (pp). 5, O-, Zholtok 4 (Redden, Yashin) Third Period: New York, Messier 20 (Kovalev) 7, O-Daigle 15, (en). Shots on goal: N.Y.- 6-4-11—21. O- 14-14-5—33. Goalies: New York, Healy. O-Rhodes.

New Jersey 1 0 0—1
N.Y. Islanders 0 0 4—4

First Period: N.J.-Thomas 6 (Andreychuk, Holik) Second Period: None. Third Period: New York, Houda 2 (King, Smolinski) 3, New York, Patty 21 (McInnis) (sh), 4, New York, King 11 (Jonsson, Pllan) 5, New York, Smolinski 9, (en). Shots on goal: N.J.- 9-8-9—26. New York 9-7-8—24. Goalies: N.J.- Brodeur. New York, Richaud.

Hartford 0 1 0—1
Buffalo 3 2 0—5

First Period: B-Ward 6 (Holzinger, Audette). 2, B-Semenov 2 (Barnaby, Grosek) 3, B-Peca 7 (Burridge, Dowe) Second Period: B-Plante 17 (Barnaby, Grosek) 5, B-Audette 12 (Ward, Boughner) 6, H-Ramheim 6 (Martins, Leschyshyn) Third Period: None. Shots on goal: H- 13-6-8—27. B- 5-9-7—21. Goalies: H-Muzzatti, Giguere. B-Hasek.

Washington 0 3 1 0—4
Detroit 1 1 2 1—5

First Period: D-Fedorov 13 (Konstantinov, Larionov) Second Period: W-Bondra 17 (Cote, Miller) 3, D-Fedorov 14 (Konstantinov) 4, W-Nikolishin 7 (Klee, Reekie) 5, W-Bondra 18 (Pivonka, Johansson) Third Period: D-Fedorov 15 (Konstantinov, Shanahan) 7, W-Hunter 8 (Ganchar, Konowalchuk) 8, D-Fedorov 16 (Larionov, Fetisov) Overtime: 9, D-Fedorov 17 (Konstantinov, Larionov) Shots on goal: W- 8-11-17-2—38. D- 9-14-8-2—33. Goalies: W-Carey. D-Osgood.

Montreal 3 0 0 0—3
Pittsburgh 0 0 3 0—3

First Period: M-Thornton 5 (Cullimore) 2, M-Recchi 16, 3, M-Thornton 6 (Tucker, Stevenson) Second Period: None. Third Period: P-Sandstrom 5 (Francis, Daigneault); 5, P-Jagr 33 (Neckved, Francis) (pp). 6, P-Lemieux 24 (Neckved, Murray) Overtime: None. Shots on goal: M- 18-10-8-1—37. P- 10-8-15-2—35. Goalies: M-Thibault. P-Wregget, Lalime.

Florida 0 1 2 0—3
Tampa Bay 2 1 0 0—3

First Period: T-Poulin 7 (Bannister, Hamrlik) (pp). 2, T-Langkow 4 (Gratton, Bannister) Second Period: F-Straka 3 (Laus, Sheppard) 4, T-Langkow 5 (Poulin) (sh). Third Period: F-Straka 4 (Mellanby) (pp). 6, F-Lowry 8 (Sheppard, Straka) Overtime: None. Shots on goal: F- 11-7-17-3—38. T- 9-11-12-2—34. Goalies: F-Fitzpatrick. T-Tabaracci.

St. Louis 3 0 1 0—4
Chicago 0 4 0 0—4

First Period: S.L.-Murphy 8 (Courtnall, Fuhr) 2, S.L.-Hull 16 (Turgeon, Matteau); 3, S.L.-Conroy 4 (Murphy) Second Period: C-Savard 5 (Probert, Daze) 5, C-Daze 8 (Suter, Probert) 6, C-Probert 4 (Carney, Zhamnov) 7, C-Krivokrasov 6 (Black, Shantz) Third Period: S.L.-Hull 17 (Turgeon) Overtime: None. Shots on goal: S.L.- 7-4-13-2—26. C-16-8-9-0—33. Goalies: S.L.-Fuhr. C-Belfour.

Vancouver 1 0 0—1
San Jose 2 4 0—6

First Period: S.J.-Nazarov 6 (Granato). 2, V-Ridley 11 (Mogilny, Gelinas) 3, S.J.-Friesen 9 (Nichotls, Nolan) Second Period: S.J.-Nolan 14 (Granato, Nicholls) (pp). 5, S.J.-Granato 12 (Turcotte, Ragnarsson) 6, San Jose, totals 5 (Kozlov, Dahlen) (pp). 7, S.J.-Nicholls 7 (Kozlov, Sykora) Third Period: None. Shots on goal: V- 3-11-13—27. S.J.- 7-19-9—35. Goalies: V-Hirsch. S.J.-Hrudey.

Phoenix 0 1 1—2
Los Angeles 3 0 2—5

First Period: L.A.-Boucher 4 (Numminen, Broten) (pp). 2, L.A.-Smyth 7 (Ferraro, Norstrom) 3, Los Angeles, Tsyplakov 9 (Kristich, Yachmenev) Second Period: Phoenix, Tkachuk 20 (Janney, Drake) Third Period: Phoenix, Tkachuk 21 (Numminen, Tverdovsky) (pp). 6, L.A.-Finn 2 (Yachmenev, Tsyplakov) 7, Los Angeles, Olczyk 9 (Ferraro, Smyth) (en). Shots on goal: Phoenix 10-12-7—29. L.A.- 8-13-10—31. Goalies: Phoenix, Khabibulin. L.A.-Dafoe.

CRICKET

SECOND TEST
ZIMBABWE VS. ENGLAND
FRIDAY, IN HARARE

England 1st Innings: 156 all out
Zimbabwe 1st Innings: 93-2

FIRST TEST
SOUTH AFRICA VS. INDIA
FRIDAY, IN DURBAN

South Africa 1st Innings: 235
India 1st Innings: 100
South Africa 2d Innings: 164-4

TRANSITIONS

BASEBALL
MAJOR LEAGUE BASEBALL
AMERICAN LEAGUE

CLEVELAND —Agreed to terms with SS Tony Fernandez on one-year contract.

NATIONAL LEAGUE

COLORADO —Signed RHP Mike Dyer to minor-league contract.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION

DALLAS —Traded G Jason Kidd, F Tony Dumas and C Loren Meyer to the Phoenix Suns for G Sam Cassell, F A.C. Green, F Michael Finley and conditional second-round draft choice in 1997 or 1998.

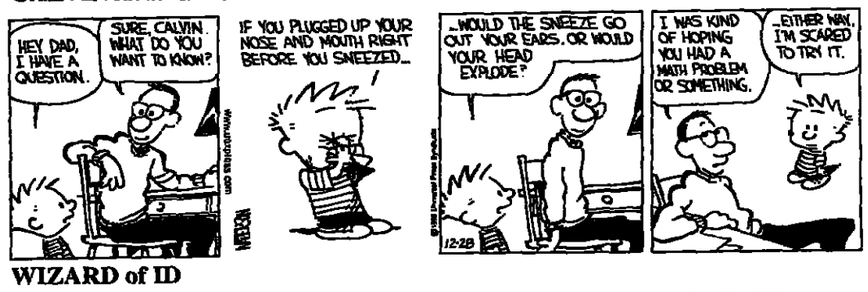
HOUSTON —Put C Charles Jones on injured list. Activated G Brent Price from injured list.

PORTLAND —Put F Rasheed Wallace on injured list. Activated F Dontonio Wingfield from injured list.

DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES



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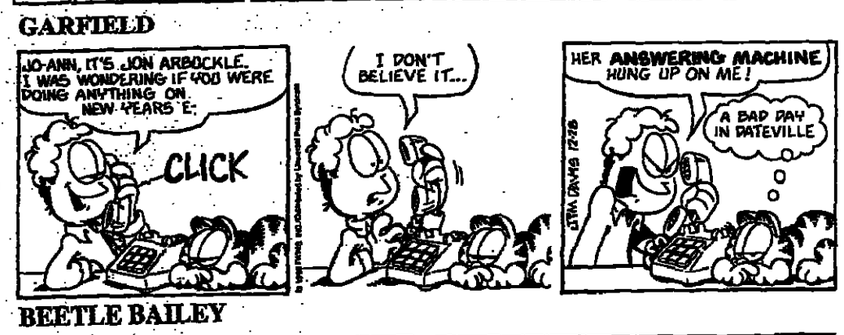

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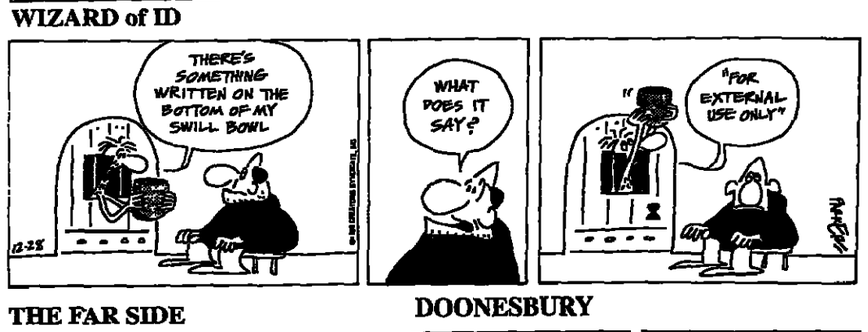

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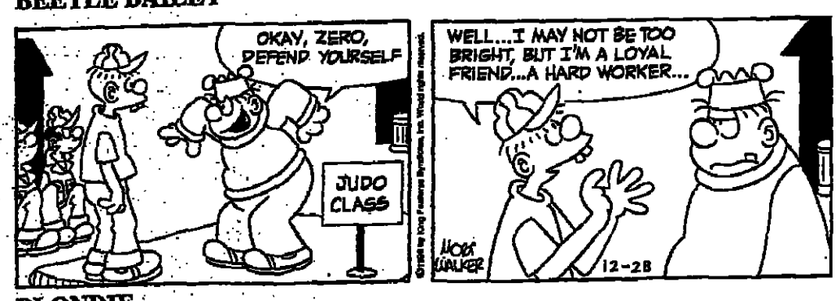
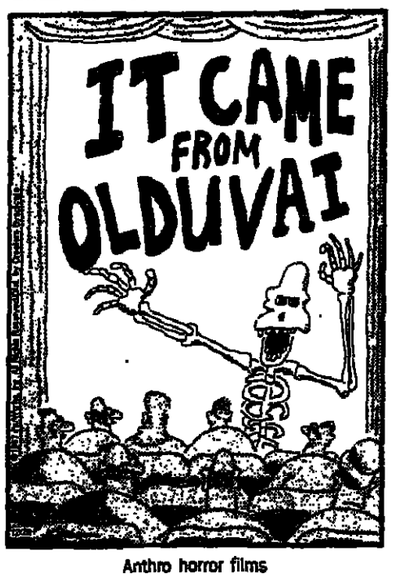


THE FAR SIDE



Anthro horror films

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Downsizing the Millennium? So, Here's to a Very Upscale 1997

By Dave Barry

MIAMI — Let's start with the good news: Under the current laws of physics, there is no possible way that 1996 can be repeated.

This is important, because it means we won't have to go through the Madonna pregnancy again. Nor will we ever again have to watch wealthy twits desperately bid insane amounts of money for Jacqueline Kennedy Onassis's old stuff.

But above all, we will not have to repeat the 1996 presidential race, which was so lame that it could have been promoted by Don King.

Now is the time to sit down in a room devoid of sharp objects and reflect back upon the eventful year we've just been through, starting with . . .

JANUARY

In Washington, the federal budget crisis continued despite heroic efforts by the White House and congressional leadership to resolve it by issuing press releases far into the night.

Elsewhere on the economic front, the corporate downsizing trend accelerated in January as AT&T fired 40,000 people, leaving the company with 1,000 employees — a chairman, a president, two chauffeurs, one person actually running the telephone system, and 995 people making commercials claiming that AT&T is almost as cheap as MCI.

In the ongoing permanent Whitewater scandal, Hillary Clinton told a grand jury that she did not recall ever having lived in any place named "Arkansas."

FEBRUARY

The Whitewater grand jury attempted to subpoena President Clinton, but he was able to convince federal marshals that he was a different Bill Clinton from the one named on the subpoena, and he did not actually reside at 1600 Pennsylvania Avenue, but was merely there to service the furnace.

Elsewhere in politics, the potential weakness of Bob Dole as a Republican presidential candidate was graphically revealed when, after barely winning in Iowa, he was soundly defeated in the New Hampshire primary by Boris Yeltsin.

Gene Kelly glided gracefully offstage.

MARCH

The Earth was treated to a spectacular celestial show as the newly discovered Comet Hyakutake appeared in the night sky, so bright that you didn't need binoculars to see the Nike logo.

George Burns was finally reunited with Gracie.

An outbreak of "mad cow" disease caused many British restaurants to stop serving hamburgers. Thanks to prompt action by health authorities, the problem was solved and beef sales returned to normal, only to plummet again following an outbreak of "mad ketchup" disease.

APRIL

Bob Dole, concerned about his disorganized and lackluster campaign, replaced several key advisers with Dr. Jack Kevorkian.

In one of the year's most moving and poignant stories, members of the international social, arts and business elite gathered for several days and — in a moving tribute to the passing of one of America's most beloved and respected women — bid as much as $20,000 for individual strands of Jacqueline Kennedy Onassis's used dental floss.

MAY

In the ongoing permanent Whitewater scandal, three former business associates of the Clintons were convicted in Arkansas. President Clinton, asked whether he would pardon them, replied: "It would be inappropriate for me to consider that at this time." Critics questioned the sincerity of the president's statement, since he was violently nodding his head up and down and winking when he made it.

Bob Dole quit the U.S. Senate and underwent surgery to remove his tie.

JUNE

The Federal Aviation Administration, reacting boldly and decisively to a rash of airline disasters, announced that it was banning all commercial flights from flying directly over FAA headquarters.

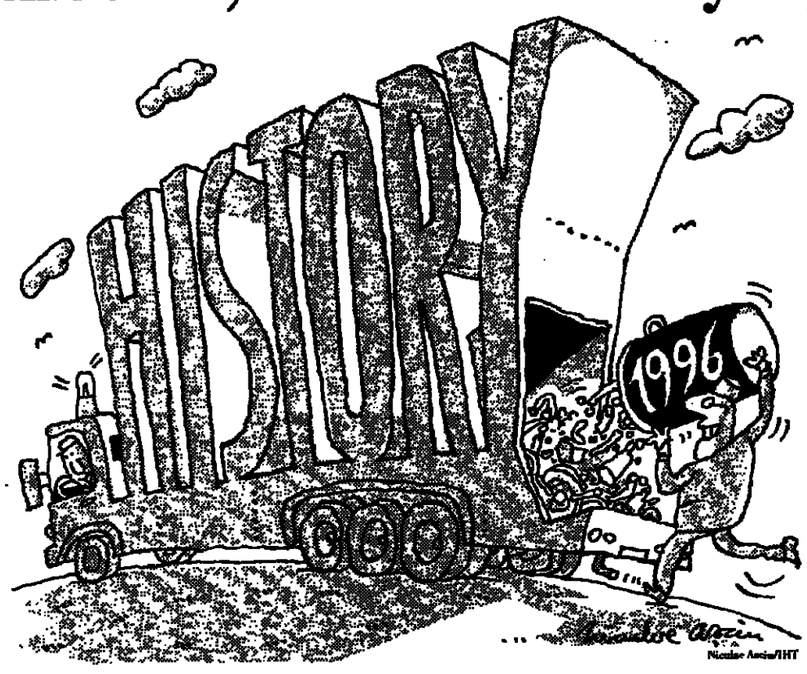
TRUE JUNE ITEM: The U.S. Department of Health and Human Services gave two Chicago universities a $7.5 million federal grant to study poverty.

Timothy Leary took the ultimate trip.

Ella went, too, and heaven was swinging.

JULY

The big story was the International Olympic Games and Advertising Vehicle, which began with a spectacular opening ceremony that culminated in an electric moment when the Olympic torch — which had been lighted in Greece and carried by thousands of Americans on an epic 10,000-mile journey throughout the United States — was turned over to Atlanta's official Olympic bus transportation system and disappeared without a trace. In another memorable moment, gutsy 19-pound U.S. gymnast Kerri Strug, courageously competing on a severely sprained ankle, raced down the vaulting runway, launched herself off the springboard, and — while still in midair — signed with an agent. She had a book-and-TV-movie deal before she hit the ground.



Nicolae Ancie/IHT

In England, the troubled marriage of Prince Charles and Lady Diana finally ended with a divorce settlement under which Diana will get £20 million (although it was not about the money), a lifetime subscription to Vogue and the right to appear on the cover of People magazine for the next 200 years.

AUGUST

Bob Dole announced that his running mate would be Jack Kemp, the theory apparently being that Dole could clarify his campaign message by joining forces with somebody he didn't agree with or even like. This dynamic duo was nominated in San Diego at a convention in which the Republicans tried to broaden their appeal by presenting a wide spectrum of prime-time speakers including Christine Todd Whitman (15 times), Colin Powell, Richard Simmons, Mother Teresa, Betty Crocker, Lassie, Barbie, Bambi, Santa Claus and the late Lucille Ball.

On the other side of the political spectrum, the Democratic campaign in Chicago was highlighted by a powerful speech by President Clinton, in which he pledged to "build a bridge to Indonesia and collect large cash contributions."

SEPTEMBER

Saddam Hussein, sensing that his popular support was waning, ordered his troops to attack the Kurds, thereby leaving Bill Clinton, as leader of Saddam's arch-enemy nation, with no choice but to order missile attacks against Iraq, which of course caused Saddam's popularity to skyrocket and also, as a bonus, made Clinton look presidential during his re-election campaign. So it was really a "win-win" situation, unless of course you happened to be a Kurd. Or Bob Dole.

In campaign action, a revitalized Bob Dole woke up and vowed to "have some oatmeal."

The most important social event in world history took place when mega-hunk John F. Kennedy Jr., after having publicly dated an estimated 23,000 beautiful tall blond thin women, finally selected, as his wife, a beautiful tall blond thin woman, named "Mrs. Mega-Hunk John F. Kennedy Jr."

OCTOBER

The Clinton administration angrily denied charges that noncitizens were buying access to the federal government through large cash contributions to the Democratic Party. "That's ridiculous," snapped official White House spokesperson Vopulaji Olymetrioudamba Harshpretyoun IV, speaking through a translator.

Bob Dole, campaigning in Montreal, came out against Daylight Saving Time.

Meanwhile, in the most important social event in world history since the marriage of mega-hunk John F. Kennedy Jr., Madonna had her baby.

NOVEMBER

As the presidential race came down to the wire, Bob Dole, in another shrewd tactic, campaigned without sleep for 96 straight hours, at the end of which he was promising to "protect America from all these giant flying snakes with the face of Howard Cosell."

Despite this compelling effort, the estimated 873 Americans who were still willing to vote in this election decided to go with Bill Clinton.

Michael Jackson, having fulfilled all his other major fantasies, such as owning an amusement park and a monkey, decided to become a parent.

DECEMBER

Bill Clinton, preparing for his second term in office, vowed to order an investigation to determine how the body of Jimmy Hoffa turned up on the residential floor of the White House. "But if I had to guess," Clinton remarked, "I'd say it was a bureaucratic snafu."

On an upbeat note, holiday crowds thronged to movie theaters to see Sylvester Stallone's new blockbuster movie, "A Rambo Christmas," in which the reluctant hero must save Santa's workshop from a nuclear device constructed by a psychotic elf, played by Danny DeVito.

So 1996, despite its unhappy moments, ended on a positive note. This is the time to for you to raise your champagne glass, toast the new year, and then put your champagne glass back down again, because alcohol is bad for you.

So we'll take yours.

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PUBLISHING

A Literary Scout's Basic Instinct for Success

By Lizette Alvarez
New York Times Service

NEW YORK — Maria Campbell is never simply Maria Campbell of proud Neapolitan lineage when she reads a book. She was a Japanese homemaker immersed in the simplemindedness of Forrest Gump or a French businessman flipping skeptically through the pages of how-to-succeed manuals. When she read Jerry Seinfeld, she thought Australia, not just America.

And after she breezed through a manuscript about an Iowa housewife smitten by a passing photographer, she guessed Hollywood and guessed right.

It is Campbell's calling, many would say her gift, to sift through books, manuscripts and galleys in search of what will please the eclectic tastes and cultural quirks of readers around the world, not to mention fickle Hollywood.

She is neither literary agent nor publisher nor a publisher's foreign-rights director. Rather, she is a scout, whose clients include foreign publishing groups and West Coast production companies, Steven Spielberg's Dreamworks SKG among them.

While foreign publishers and Hollywood producers are bombarded by sales pitches and advance galleys, it is often Campbell's recommendation that they rely on.

She is, after all, more objective than the book's agent or publisher. She is paid to scout books, many months usually before they hit the bookstores, so that her Hollywood or foreign publisher clients can get a jump on buying a potential hot property.

She brought "The Bridges of Madison County" to Amblin Entertainment, Spielberg's production company, 18 months before it was published. She helped Amblin acquire "Jurassic Park," and she showed the company the manuscript of "How to Make an American Quilt" a year before it was published.

And she fulfilled every author's dream of making it big: She discovered the novel "Neanderthal" while it was still a work in progress, about 15 months before it was published, for Dreamworks, the studio that was born a ready-made legend. The author, John Darnton, now the culture editor of The New York Times, was a first-time novelist when his book was optioned by the movie company.

As she settled into the living room of her built-from-scratch country home in Litchfield County, Connecticut, a reader's lair built for a lazy afternoon, Campbell explained what is distinctive about her job in book publishing: "I am literally the eyes and the ears in the American market for a group of international publishers."

'The best indicator is to go with your gut, something that is non-put-downable.'

Her success stems in part from her instinct for what will appeal to the Mexican housewife and the Korean entrepreneur, to the Japanese interest in visionary books and mysteries, to Latin Americans, who have a passion for self-help guides.

"You want to think about markets and countries and trends, but it comes down to the individual, to knowing the editor who plays the violin and will respond to the thriller about violins," she said. "Or someone who is a complete techie, so that anything related to chaos theory is going to be for that person."

But overriding all that is plain instinct. "The best indicator is to go with your gut," she said. "Something that is non-put-downable, I mean, that dictates your reaction."

"One of the books that I had a lot of fun with, and in fact that I read here, was Richard Preston's 'Hot Zone,'" Campbell added as her basenji, Bullzack — a barkless dog, the kind pharaohs once kept at their sides — offered up a nuzzle and a baleful look. "I read it in manuscript, and I couldn't put it down. I knew immediately. I called the agent and said this is a best-seller, an international best-seller, this is a completely nonstop read. And I felt the same when I read 'Presumed Innocent.' I continue to read Scott Turow with great pleasure."

She says she felt the same flutter about the first 100 pages of Carl Hiaasen's work in progress, as well as a first novel called "Los Alamos," "an atmospheric thriller," written by Joe Kanon, a former publisher.

A decade or more ago, American fiction routinely crowded out other forms of American writing in Europe and elsewhere. But then nonfiction began to have some of the bite and narrative power of fiction, which translated into more work for Campbell and her staff of five, who read about 50 manuscripts and galleys a week, as well as scores of essays, trade paperbacks, foreign magazines and newspaper articles.

As Amanda Urban, an agent at International Creative Management, said, Campbell "deserves a little limelight."

"I totally trust her, and I think that's unusual in life, given everyone's need and desire to stay ahead of the game, to get that manuscript first, to get that book first, to be there first to get the offer off the table," Urban said.

When Kathleen Kennedy, a movie producer, went looking for a scout for Amblin Entertainment in 1987, she was told first about Campbell. "She is very selective and critical and spends a lot of time getting to know what your tastes are," said Kennedy, who now heads Kennedy Marshall Co. "She really is good about saying that this is an excellent author, read this, it's fabulous."

Campbell, 47, keeps her own leisure reading list, and it almost always involves indulging in a hard-back book. "I hear about every work imaginable, so you have stored up in your home and in your head what books you are going to read when you finally get around to it," she said. "I have a lifetime of reading to do ahead of me."

PEOPLE

HE'S under fire again, this time for playing around with his son while the 12-year-old was holding a shotgun. A photo of a grinning **Prince Charles** lunging at **Prince Harry** during a phea-sant hunt the day after Christmas was plastered across the front pages of London tabloids Friday. "Have You Gun Mad?" asked the Daily Mirror. It was the second recent incident to spark anger at the royal family over its attitude toward guns in a country still mourning 16 children and a teacher murdered in Dunblane, Scotland, in March. Last week **Queen Elizabeth's** husband, **Prince Philip,** was roundly condemned for implying, while discussing Dunblane, that guns were no more dangerous than cricket bats. A spokesman for the British Safety Council said Friday that Charles had been "absolutely stupid" to try to clip his son on the ear while the boy was holding a gun and was surrounded by other people. "We have seen through the years that the royal family have been negligent over safety," the spokesman said. "Indulging in horseplay while carrying guns is unbelievable." The incident happened during a shoot at the royal estate at Sandringham, where the family traditionally celebrates Christmas. Harry's mother, **Princess Diana,** who was divorced from Charles in August, was on vacation on the Caribbean island of Barbuda and did not comment.

□

After failing to get enough Americans to vote for him, **Bob Dole** is hoping he can persuade a few to laugh. The retired Kansas senator, who has appeared on "Late Show with David Letterman" and "Saturday Night Live" since losing the November presidential election, is making a guest appearance on "Suddenly Susan," an NBC sitcom starring **Brooke Shields.** On the show, which is scheduled to air Jan. 9 in the U.S., Dole provides a bit of coaching on the two-party system to Luis (**Nestor Carbonell**), who is studying for his exam to become a U.S. citizen. Dole recently filmed his scene with series regulars Carbonell and **Judd Nelson,** as well as a promo with Shields.

Radu Sigheti/Reuters

DANCES WITH BEARS — Romanians dressed as bears braving icy cold Friday in Bucharest to perform traditional dances said to bring good luck in the new year.

□

Benjamin Netanyahu's disgruntled ex-nanny, fired last July after scorching the soup, is suing the Israeli prime minister and his wife for more than $36,000 in back pay, her attorney says. South African-born **Tanya Shaw,** 21, said in a petition to a Jerusalem labor court that Netanyahu and his wife, Sara, had not paid her overtime or for work on the Sabbath, as required by law. Shaw said in several interviews after her dismissal in July that Sara Netanyahu had been obsessed with cleanliness, had called her "a murderer" and had thrown her out for burning soup in the kitchen.

□

A battery-operated Cabbage Patch Doll that can chew had to be taken apart piece by piece when it munched a 7-year-old girl's hair up to her scalp and wouldn't let go. **Sarah Stevens's** aunt and the owner of the Griffith, Indiana, hair salon where the incident took place worked for 30 minutes to remove more than 20 screws, open the battery compartment and pull apart the mouth to free Sarah's blond hair. Sarah was shaken but unhurt. "I have a little headache," she said. The Cabbage Patch Snack Time Kids Doll is designed to chew automatically when plastic french fries or other items are placed in its mouth.

□

Covenant House, a group working to protect street children in Central America, was named Friday as the winner of Sweden's 1996 Olof Palme Prize. The group and its executive director, **Bruce Harris,** were awarded the 250,000 krona ($36,500) prize for "dedicated work to help street children in Guatemala, Honduras and Mexico to start a meaningful life," the prize committee said.

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Sweden	020-795-611
Switzerland ●	0800-89-0011
United Kingdom ▲	0500-89-0011
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